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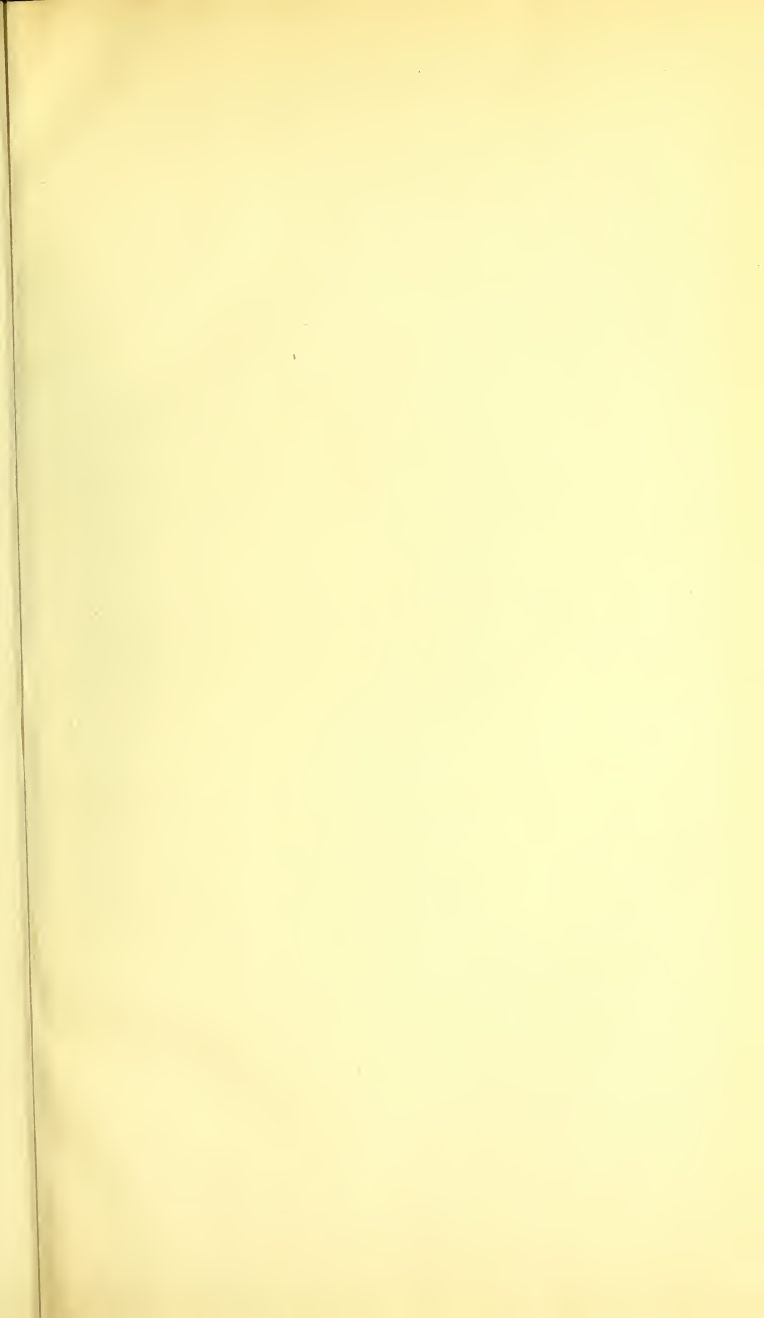
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NATIONAL HEALTH INSURANCE.

REPORT

OF THE

DEPARTMENTAL COMMITTEE

ON

SICKNESS BENEFIT CLAIMS UNDER THE
NATIONAL INSURANCE ACT.

The Minutes of Evidence are printed separately in three volumes as follows:—
Vol. I., Minutes from 15th October, 1913, to 18th December, 1913, as [Cd. 7688]; Vol. II., Minutes from 31st December, 1913, to 3th March, 1914, as [Cd. 7689]; Vol. III., Minutes from 11th March, 1914, to 22nd May, 1914, as [Cd. 7690]. The Index to the Minutes of Evidence is printed separately as [Cd. 7691].

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[Cd. 7498] of Session 1914. Price 1d., post free 1 $\frac{1}{2}$ d.

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REPORT, FOR 1913-14, ON THE ADMINISTRATION OF NATIONAL HEALTH INSURANCE.

The Report is in six parts; Parts 2 to 6 having Appendices.

Part I.—Introduction. The Scope of National Health Insurance and the National Insurance Act, 1913.

Part II.—National Health Insurance Joint Committee. The “General” Portion contains the constitution and scope of the work of the Joint Committee, Medical Research, National and International Societies, other Committees assisting the Joint Committee; &c. The Actuarial Section contains Tables of Transfer Values, the Crediting of Reserve Values, Arrears, Benefits for Exempt Persons, Financial position of Approved Societies, &c.

Part III.—National Health Insurance Commission (England). Approved Societies :— Organisation, Sickness Benefit, Maternity Benefit, Special Problems. The Collection of Contributions, the Receipt and Issue of Funds, and Investments. Insurance Committees :—Their Constitution, Powers and Duties; Administration of Sanatorium Benefit and of Medical Benefit; Insurance of Deposit Contributors. Questions respecting Liability to Insurance and Particular Classes of Insured Persons. The work of the Outdoor Staff. Conclusion.

Part IV.—National Health Insurance Commission (Scotland). The structure of the System of National Health Insurance. The Working of the System. Accounting and Finance. The work of the Outdoor Staff.

Part V.—National Health Insurance Commission (Ireland). Constitution of the Advisory Committee. Approved Societies. Accounting Arrangement and Management of the Irish National Health Insurance Fund. Insurance Committees. Questions as to Liability to Insurance and Particular Classes of Insured Persons. The work of the Outdoor Staff.

Part VI.—National Health Insurance Commission (Wales). Approved Societies, and the steps taken to assist them. The Collection of Contributions, the Receipt and Issue of Funds, and Investments. Insurance Committees. Questions as to Liability, &c. Work of the Outdoor Staff.

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R E P O R T

OF THE

DEPARTMENTAL COMMITTEE

ON

**SICKNESS BENEFIT CLAIMS UNDER THE
NATIONAL INSURANCE ACT.**

Presented to both Houses of Parliament by Command of His Majesty.



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MINUTES OF APPOINTMENT.

12607
I hereby appoint—

SIR CLAUD SCHUSTER (Insurance Commission);

WALTER DAVIES, Esq. (National Secretary of the Order of the Sons of Temperance. Chairman, Manchester Insurance Committee);

ADAM FULTON, Esq., M.B.;

Miss M. H. FRANCES IVENS, M.B.;

Miss MARY MACARTHUR (Secretary of the Women's Trade Union League);

WILLIAM MOSSES, Esq. (Secretary of the Federation of Engineering and Shipbuilding Trades of the United Kingdom. Secretary of the United Pattern Makers' Association (Approved Society));

JAMES PEARSE, Esq., M.D., M.B. (Medical Officer of Health, Trowbridge Urban District Council);

LAURISTON ELGIE SHAW, Esq., M.D., M.B., F.R.C.P., M.R.C.S.;

A. C. THOMPSON, Esq. (President of the National Conference of Industrial Assurance Approved Societies);

A. H. WARREN, Esq., J.P. (President of the National Conference of Friendly Societies);

A. W. WATSON, Esq. (Chief Actuary, National Health Insurance Joint Committee);

J. S. WHITAKER, Esq., M.R.C.S. (Deputy Chairman, Insurance Commission);

Miss MONA WILSON (Insurance Commission);

WALTER P. WRIGHT, Esq. (Grand Master Independent Order of Oddfellows (Manchester Unity));

to be a Committee to enquire into and report upon the alleged excessive claims upon and allowances by approved societies in England in respect of sickness benefit, and any special circumstances which may cause any such claims or allowances; and I appoint Sir Claud Schuster to be Chairman, and A. Gray, Esq., of the Insurance Commission, to be Secretary, of the Committee.

(Signed) CHARLES F. G. MASTERMAN.

22nd August 1913.

I hereby appoint J. Burn, Esq. (Actuary of the Prudential Approved Societies), to be a member (during the temporary unavoidable absence of A. C. Thompson, Esq.) of the Committee appointed to enquire into and report upon the alleged excessive claims upon and allowances by approved societies in England in respect of sickness benefit, and any special circumstances which may cause any such claims or allowances.

1st November 1913.

(Signed) C. F. G. MASTERMAN.

I hereby appoint T. M. Carter, Esq., M.D., M.R.C.S., L.R.C.P., to be a member (in the room of James Pearse, Esq., M.D., M.B., resigned) of the Committee appointed to enquire into and report upon the alleged excessive claims upon and allowances by approved societies in England in respect of sickness benefit, and any special circumstances which may cause any such claims or allowances.

4th February 1914.

(Signed) CHARLES F. G. MASTERMAN.

LIST OF WITNESSES.

Name.	Description.	Days.	Volume of Appendix and Page.
APPLETON, Mr. W. A. -	General Secretary, General Federation of Trade Unions for National Insurance and for Friendly Society Purposes.	15 and 16	Vol. 1, p. 332.
BARBER, Mr. W. -	Secretary, Bradford District Trades Council Approved Society.	39	Vol. 2, p. 449.
BARKER, Mr. J. -	Assistant Secretary, United Society of Boiler Makers and Iron and Steel Ship Builders.	11	Vol. 1, p. 234.
BARNES, Mr. T. -	Secretary, Plymouth District, Independent Order of Oddfellows, Manchester Unity, Friendly Society.	59	Vol. 3, p. 416.
BARRAND, Mr. A. R. -	Secretary, Prudential Approved Societies - - -	6 and 7	Vol. 1, p. 130.
BELDING, Dr. D. T. -	M.R.C.S., L.R.C.P. - - - - -	48	Vol. 3, p. 162.
BELL, Mr. J. N. -	Secretary of the National Amalgamated Union of Labour.	57	Vol. 3, p. 375.
BENNETT, Dr. W. B. -	M.R.C.S., L.R.C.P. - - - - -	21 and 22	Vol. 2, p. 23.
BLUNDELL, Mr. F. N. -	Chief Warden, Lancashire Federation of Rural Friendly Societies.	2	Vol. 1, p. 37.
BOND, Mr. C. J. -	F.R.C.S., L.R.C.P. - - - - -	24 and 25	Vol. 2, p. 97.
BONDFIELD, Miss M. -	Nominated by the Women's Co-operative Guild - -	57	Vol. 3, p. 361.
BROSTER, Dr. A. E. -	M.R.C.S., L.R.C.P. - - - - -	53	Vol. 3, p. 266.
BUCKLE, Mr. J. -	Chairman, Leeds Insurance Committee - - -	56	Vol. 3, p. 334.
BUNCH, Mr. C. -	Assistant Secretary, Hampshire and General Friendly Society.	14	Vol. 1, p. 304.
BURGESS, Dr. MILDRED	M.B., nominated by the Association of Registered Medical Women.	26 and 28	Vol. 2, pp. 146 and 178.
CANN, Mr. T. H. -	A member of the committee, Durham Miners Association.	49	Vol. 3, p. 194.
CHARLES, Dr. J. -	M.B., C.M., M.D. - - - - -	27	Vol. 2, p. 155.
CLARE, Mr. HARCOURT	Clerk, Lancashire Insurance Committee - - -	51	Vol. 3, p. 231.
CLARKE, Dr. J. MICHELL	M.D., M.R.C.S., F.R.C.P., nominated by the President of the Royal College of Physicians.	55	Vol. 3, p. 322.
CLAYDON, Dr. OLIVE -	M.B., C.M., M.D., nominated by the Association of Registered Medical Women.	30 and 33	Vol. 2, pp. 220 and 291.
CLAYTON, Mr. L. -	President, Bristol Cotton Works Health Insurance Society.	4	Vol. 1, p. 81.
COX, Dr. ALFRED -	M.B., B.S., Medical Secretary, British Medical Association	41 and 42	Vol. 3, p. 1.
CRISP, Miss F. -	Secretary, Court Norwich Ancient Order of Foresters -	55	Vol. 3, p. 316.
DANIELS, Mr. F. W. -	General Secretary, Ideal Benefit Society - - -	18 and 20	Vol. 1, pp. 396 and 426.
DAVIES, Mr. R. J. -	Insurance Manager, Amalgamated Union of Co-operative Employees.	51	Vol. 3, p. 220.
DAWES, Mr. J. A., M.P.	Chairman, London Insurance Committee - - -	47	Vol. 3, p. 147.
DEVIS, Dr. H. F. -	M.R.C.S., L.R.C.P. - - - - -	56	Vol. 3, p. 342.
DIVINE, Dr. J. -	M.B., C.M., M.D., nominated by the British Medical Association, Secretary of Local Medical Committee and Panel Committee, Hull.	45 and 46	Vol. 3, p. 119.
DIXON, Mr. A. P. -	Secretary, Cambridge Benefit Society - - -	55	Vol. 3, p. 328.
DUNCAN, Mr. J. -	Secretary, Rational Association Friendly Society -	5	Vol. 1, p. 94.
DUNCAN, Dr. W. -	M.B., C.M. - - - - -	23	Vol. 2, p. 55.
DYER, Mr. H. H. -	General Secretary, Royal Oak Benefit Society - -	32	Vol. 2, p. 264.
EASTMAN, Mr. W. -	A member of the London Chamber of Commerce -	57	Vol. 3, p. 372.
FARMAN, Dr. R. J. -	L.S.A., L.M.S.S.A., nominated by the British Medical Association.	46	Vol. 3, p. 136.
FLATHER, Mr. A. -	Clerk, Bradford Insurance Committee - - -	52	Vol. 3, p. 251.
FLETCHER, Mr. G. -	Secretary, Great Western Railway Staff Friendly Society.	28	Vol. 2, p. 191.
FRITH, Mr. J. -	Secretary, Newbold Friendly Society - - -	11	Vol. 1, p. 248.
GORDON, Mr. A. -	Secretary, Domestic Servants' Insurance Society -	3 and 4	Vol. 1, p. 63.
GRAY, Mrs. E. -	President, York Female Friendly Society - - -	7	Vol. 1, p. 152.
HARRISON, Dr. J. A. -	M.B., C.M. - - - - -	54	Vol. 3, p. 281.
HARTOP, Mr. J. -	Secretary, Bedfordshire Federation of Friendly Societies	29	Vol. 2, p. 215.
HODGSON, Dr. STANLEY	M.R.C.S., L.R.C.P., M.B., B.S., Secretary of Local Medical Committee and of Panel Committee, Salford.	35	Vol. 2, p. 335.
HOGARTH, Dr. C. W. -	M.R.C.S., L.R.C.P. - - - - -	39	Vol. 2, p. 439.
HOLDER, Dr. W. -	M.R.C.S., L.S.A. - - - - -	31	Vol. 2, p. 255.
HOLLINS, Mr. A. -	Acting Secretary, Health Insurance Section, National Amalgamated Society of Male and Female Pottery Workers.	12	Vol. 1, p. 258.
HUGHES, Miss A. -	General Superintendent, Queen Victoria's Jubilee Institute for Nurses.	56	Vol. 3, p. 355.
HUNTLEY, Mr. T. W. -	President, Order of the Sons of Temperance - -	33 and 34	Vol. 2, p. 305.
HYNER, Mr. W. G. J. -	High Chief Ranger, Ancient Order of Foresters -	25 and 26	Vol. 2, p. 118.
JACKSON, Mr. G. T. -	General Secretary, Amalgamated Society of Tramway and Vehicle Workers	52	Vol. 3, p. 237.
JEFFERSON, Mr. J. A. -	Actuary, National Amalgamated Approved Society -	9 and 10	Vol. 1, p. 199.

Name.	Description.	Days.	Volume of Appendix and Page.
JOHNSON, Mr. G. E.	Chief Secretary, National Independent Order of Odd-fellows.	35 and 36	Vol. 2, p. 354.
JONES, Mr. E. L.	Secretary, Manchester and Salford District Independent Order of Oddfellows, Manchester Unity Friendly Society.	58	Vol. 3, p. 389.
LAMACRAFT, Mr. A.	Manager, National Health Section, Royal Liver Friendly Society.	13	Vol. 1, p. 277.
LAYTON, Dr. F. G.	M.R.C.S., L.R.C.P., Secretary of Local Medical Committee and of Panel Committee, Walsall.	40	Vol. 2, p. 465.
LILLEY, Mr. J. E.	Clerk, Manchester Insurance Committee	47	Vol. 3, p. 155.
LINGSTROM, Mr. G. L.	Secretary, North London District, Independent Order of Oddfellows, Manchester Unity Friendly Society.	58	Vol. 3, p. 405.
MACARTHUR, Miss M.	A member of the Committee	15 and 19	Vol. 1, pp. 316 and 405.
MANDER, Mr. F.	Accountant and Organiser, State Insurance Section, Sheffield Equalised Independent Druids.	29	Vol. 2, p. 196.
MARSH, Dr. C. A.	M.R.C.S., L.R.C.P. nominated by the British Medical Association, Secretary of Local Medical Committee and of Panel Committee, Bath.	45	Vol. 3, p. 97.
MORLAND, Mr. J. C.	Chairman, Somerset Insurance Committee	49	Vol. 3, p. 184.
OLDHAM, Dr. H. F.	M.B., B.Ch., M.D., nominated by the British Medical Association.	53	Vol. 3, p. 270.
PAGET, Mr. S. C.	Clerk, Bristol Insurance Committee	32	Vol. 2, p. 276.
PARROTT, Mr. J. W.	Clerk, Birmingham Insurance Committee	27 and 28	Vol. 2, pp. 170 and 185.
PARSONS, Dr. J. A.	M.B., C.M., M.D., nominated by the British Medical Association, Secretary of Local Medical Committee and of Panel Committee, Rutland.	42	Vol. 3, p. 48.
PEARCE, Miss ESTHER	Sick Visitor, North London District, Independent Order of Oddfellows, Manchester Unity.	58	Vol. 3, p. 405.
PEARCE, Mr. J. P.	Secretary, Order of United Sisters, Suffolk Unity	8	Vol. 1, p. 174.
PETERS, Mr. C. F.	Actuary, Liverpool Victoria Approved Society	3	Vol. 1, p. 46.
PHILLIPS, Dr. J. E.	M.R.C.S., L.R.C.P.	50	Vol. 3, p. 204.
PHILLIPS, Dr. MARION	General Secretary, Women's Labour League	55	Vol. 3, p. 310.
PIMBLE, Mr. S.	Secretary, Gloucester Conservative Benefit Society	53	Vol. 3, p. 255.
POULTON, Mr. E. L.	General Secretary, National Union of Boot and Shoe Operatives.	13	Vol. 1, p. 295.
PUXLEY, Miss Z. L.	General Secretary, Ranyard Nurses	52	Vol. 3, p. 247.
RICHMOND, Dr. B. A.	M.B., B.S., M.D., M.R.C.S., L.R.C.P., Secretary of Local Medical Committee and of Panel Committee, London.	54	Vol. 3, p. 294.
RIGBY, Mr. W.	Secretary, Catholic Friendly Societies Association	36	Vol. 2, p. 370.
ROBERTS, Dr. H.	L.S.A.	40	Vol. 2, p. 484.
ROGERS, Dr. B. M. H.	M.R.C.S., L.R.C.P., M.B., B.Ch. Medical Adviser, Bristol Insurance Committee.	21	Vol. 2, p. 1.
ROUTH, Dr. AMAND	F.R.C.P., M.R.C.S., M.D., nominated by the President of the Royal College of Physicians.	50	Vol. 3, p. 213.
SANDERSON, Mr. S.	Managing Secretary, Amalgamated Association of Card Blowing and Ring Room Operatives.	1	Vol. 1, p. 1.
SAUNDERS, Mr. E.	Assistant Secretary, Tunbridge Wells and South Eastern Counties Equitable Friendly Society.	12	Vol. 1, p. 270.
SCARLETT, Mr. S. A.	Vice-Chairman, Norfolk Insurance Committee	31	Vol. 2, p. 245.
SHAW, Mr. J. W.	Grand Secretary, Order of Druids Friendly Society	9	Vol. 1, p. 182
SMITH, Dr. F. J.	F.R.C.S., F.R.C.P., M.D., nominated by the President of the Royal College of Physicians.	48	Vol. 3, p. 175.
SMITH, Mr. R.	Manager, Insurance Section of the Co-operative Wholesale Society.	16, 17, and 18.	Vol. 1, p. 352.
THOMAS, Mr. F.	Chief Clerk, Insurance Section of the Amalgamated Weavers' Association.	5 and 6	Vol. 1, p. 111.
TUCKFIELD, Mr. C.	General Secretary, National Deposit Friendly Society	1 and 2	Vol. 1, p. 22.
WEBB, Mr. SIDNEY	Chairman of the Fabian Research Department Committee of Enquiry into Insurance.	37 and 38	Vol. 2, p. 381.
WHITELEY, Mr. W.	Secretary, Durham Miners' Association	49	Vol. 3, p. 194.
WIGGLESWORTH, Mr. W.	Secretary, Princess Alexandra Lodge National United Order of Free Gardeners.	24	Vol. 2, p. 82.
WIGHTMAN, Mr. W. J.	Vice-President, Order of the Sons of Temperance	33 and 34	Vol. 2, p. 305.
WILLSON, Miss E.	Secretary, Independent National Union of Boot and Shoe Women Workers.	8	Vol. 1, p. 161.
WILSON, Miss L.	Sick Visitor, Tunstall Benevolent Burial Society	58	Vol. 3, p. 383.
WOODCOCK, Mr. C. W.	Secretary, Midland Railway Friendly Society	20	Vol. 1, p. 439.
WRIGHT, Mr. I.	General Secretary, Sheffield Equalised Independent Druids.	29	Vol. 2, p. 196.
WRIGHT, Mr. W. P.	A member of the Committee	43 and 44	Vol. 3, p. 54.

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REPORT

OF THE

SICKNESS BENEFIT CLAIMS COMMITTEE.

TO THE RIGHT HON. C. F. G. MASTERMAN, CHAIRMAN OF THE NATIONAL HEALTH INSURANCE JOINT COMMITTEE.

SIR,

1. THE Committee appointed by your minute of the 22nd August 1913—

“To inquire into and report upon the alleged excessive claims upon and allowances by Approved Societies in England in respect of sickness benefit, and any special circumstances which may cause any such claims or allowances,”

have the honour to report that they have sat for the purpose of receiving evidence on 59 days between the 15th of October 1913 and the 22nd of May 1914. During this period, with the exception of a recess of a week at Christmas and two weeks at Easter, the Committee have sat continuously on two days of each week, and have received the evidence of 94 witnesses. A list of these witnesses appears on pages iii and iv.

INTRODUCTORY.

CLASSIFICATION OF WITNESSES EXAMINED BY THE COMMITTEE.

2. These witnesses may be conveniently divided into four classes, namely—

- (a) Those representing societies approved under the National Insurance Act, 1911. These witnesses, 52 in number (46 men and 6 women), represented 49 approved societies, whose membership for the purposes of the Act amounts to over 6,900,000 insured persons, 4,500,000 men and 2,400,000 women. These witnesses were so far as possible selected in such a manner as to place before the Committee evidence with regard to societies of different types; 29 were officials or members of the committees of management of what may be called the old friendly societies which were engaged in the business of insurance against sickness before the Act came into operation; 13 were officials or members of the committees of management of trade unions, some of which also provided sickness benefits for their members before 1912; 5 were acting in a similar capacity for industrial insurance companies or collecting societies, and 5 represented societies which have been formed for the purpose of the Act of 1911, or which had added the work of sickness insurance for the purpose of that Act to their previous business. An effort was made in selecting witnesses to obtain evidence from all parts of England, and to secure a representation of the views both of the centralised and decentralised societies, and of those whose operations cover a wide geographical area as well as of those which confine their business to comparatively limited areas such as a county or a town.
- (b) Representatives of the medical profession. Of the witnesses in this group, 26 in number (2 being women), 20 were panel practitioners, *i.e.*, practitioners who had entered into arrangements with Insurance Committees under section 15 of the Act for the treatment of insured persons.

In issuing invitations to give evidence before the Committee to medical witnesses, a similar attempt was made to secure representation of the views of the profession generally. Evidence was thus obtained from medical practitioners practising in the varied economic and industrial conditions to be found in different parts of the country, some witnesses being drawn from entirely rural districts, some from areas representing a combination of agriculture and industrial pursuits, some from residential towns, some from the great industrial centres, and some from different parts of London.

In this matter the Committee desire to acknowledge the assistance which they received from the British Medical Association, the Association of Registered Medical Women, and from Sir Thomas Barlow, President of the Royal College of Physicians. These two associations and Sir Thomas Barlow kindly consented to nominate, for the purpose of giving evidence before the Committee, representative men or women whom they regarded as pre-eminently qualified to state the views of the profession from different standpoints.

- (c) Representatives from Insurance Committees, nine in number, who again were selected in such a manner as to place before the Committee evidence with regard to typical areas presenting varying characteristics.
- (d) Witnesses who, while not engaged in connection with any of the agencies on which the administration of the Act devolves, have made a special study of the principles of sickness insurance or of the effect of the National Insurance Act as in operation among the industrial classes, or who have had an opportunity of observing the working of the machine from a standpoint other than that of any of the chief agents engaged in administering the Act.

NATURE OF THE PROBLEM TO BE INVESTIGATED.

3. The Committee, by the terms of reference quoted above, was not required to conduct an actuarial investigation into the affairs of societies generally, or of those particular societies which were represented in evidence before them. The question to which the Committee has primarily devoted its attention has been whether the claims made upon the funds either of societies in general, or of particular societies or of societies of particular types were in excess of the claims, which under a proper system of administration should have been made upon, and allowed by, them. In order to ascertain in the case of any particular society whether the actuaries' estimate has been exceeded, it is necessary to enter into elaborate calculations in which the age and sex of each member and in the case of women, her status, whether married or single, have to appear as factors. This work will necessarily be undertaken in connexion with the valuation of each society directed by the Act, and the Commissioners may find it necessary at any time to examine the affairs of any given society with the assistance of such a calculation, with a view to ascertaining whether its expenditure is dangerously excessive in amount. These are, however, essentially actuarial questions, and it is evident that such calculations are matters for an actuary and his staff, and not for a Committee which seeks and receives the views of those engaged in the work of administering the Act, and forms opinions upon that work as they see it in operation. While, therefore, in considering the question of how far claims which have been admitted are in excess of what is proper, the original estimates made by the actuaries or the rough rule adopted by the Commission for regulating the amount to be drawn by societies from their accounts in the National Health Insurance Fund may be taken as a convenient general measure it is clear that such figures cannot be employed as the only or indeed the main criterion in the consideration of the question to which we have been asked to direct ourselves.

4. In the investigation of the question how far the claims allowed by a particular society are in excess of what is proper, regard must be had to considerations other than those which can form an element in the actuarial calculations applicable to a general scheme of insurance based upon a flat rate of premium. The estimates of the actuaries were based on figures which had regard to the whole industrial population, and are a forecast of what might be anticipated if that population were insured together as a whole, and not divided into separate societies. This was in accordance with the principle of the Act, which, with immaterial exceptions, requires for each sex one flat rate of premium and one flat rate of benefit, restricted only as to age and marriage by the credit of a reserve value. It may well be, however, that where a society has exceeded the actuaries' estimates this result is due to the membership containing an abnormal proportion of lives of a particular type exposed to a sickness risk in excess of the general sickness risk of the whole population. It may also happen that a society whose expenditure is apparently well within that allowed by the actuarial estimate is notwithstanding spending money lavishly, although some fortunate accident of age distribution, a favourable occupational segregation, or other circumstance may conceal the fact from a casual observer.

5. Our task, therefore, was to examine the actual working of the machine as exemplified in the action of its several parts, rather than to investigate the financial results

produced. Such results as have been attained in the short time during which the Act has been in operation are nevertheless of the greatest service in estimating the efficiency of the machinery which has produced them, and therefore constitute an important factor to be taken into consideration in the investigation on which we have been engaged. Further, in so far as the results achieved differ in different societies and different industries, or different geographical areas or different sexes, they enable us to trace more surely such defects as may exist in the administrative machinery.

CERTAIN FACTORS TO BE CONSIDERED.

Insured Persons.

6. There are, however, other factors which have to be reckoned with which are not capable of being brought to the test of exact science, but must remain matters of opinion. No examination conducted into such a subject in the time at our disposal could be exhaustive, nor is it possible that many of the opinions expressed on certain aspects of the question can be put forward otherwise than tentatively. The difficulty of inquiring into all social problems is here accentuated by the novelty and the vastness of the subject-matter, and by the fact that the views of those expressing opinions upon it are liable to be coloured by professional or traditional bias, or to be distorted by the limited outlook which is inevitable in those whose position allows them to see only a small part of the whole field. The subject of our inquiry is one which touches the life of every member of the industrial classes, including both men and women; among men, the persons included in the scheme range from the clerical workers in regular employment with an income just short of 160*l.* a year or the skilled manual labourer, who may possibly be in a superior financial position, down to the most casually employed member of the industrial community; while among women the persons included range from the highly educated and regularly employed members of the semi-professional class to the under-fed or ill-fed and low-paid girls who are found in the less organised and less healthy trades. The circumstances in which these very different classes carry on their labour and spend their lives when not at work, are all relevant to such an inquiry as the present.

Doctors.

7. Further, we have to deal with the point of view of members of a profession, each of whom is led by the bias of his training, the isolation and independence of his work and the strong personal relations between himself and his patients to a highly particularistic view of his professional duties and responsibilities (*Bennett, Q. 16,892-4, Bond, Q. 18,453*), and among them both with the point of view of medical men who have had a long experience in the work of sickness benefit, when acting for the old friendly societies and trade unions, and with that of doctors whose introduction to work of this nature, and even to the professional treatment of the more lowly-paid industrial classes, has dated from the introduction of medical benefit under the National Insurance Act.

Approved Societies.

8. To this must be added the necessity of inquiring into the methods and habits of mind of those who are engaged in the administration of sickness benefit as members of the committees of management of approved societies, or as their local officials or agents, and here again we are dealing in many cases with deep-seated habits and points of view formed during long years of experience in the cognate work done for the old societies. While this experience is a valuable element in the administration of the Act, the great divergence of practice which has arisen in different localities and different trades, and which has been perpetuated in the administration of the Act, adds a further complexity to the problem.

THE BENEFITS UNDER THE ACT.

Sickness and Disablement Benefit.

9. The reference to the Committee relates solely to "sickness benefit." This benefit is only one of the five benefits (excluding the additional benefits which may be declared upon the results of a surplus on valuation) to which an insured person is or may be entitled. One other of these benefits, however, "disablement benefit," is merely a continuation of "sickness benefit" at a lower rate in the case of a prolonged sickness. "Sanatorium benefit" (especially having regard to the developments of the work undertaken by public health authorities among the uninsured since the

passing of the Act of 1911) may be considered as in some sort apart from "sickness benefit," though even here there are important correlations between the two.

Medical and Maternity Benefit.

10. "Medical benefit" and "maternity benefit," the remaining benefits, are closely interwoven with sickness benefit; and it is impossible to consider the administration of the last-named benefit without at the same time glancing at the operations of the Act under these two heads. Indeed, when the subject is more closely examined, it will be seen that medical benefit and sickness benefit form mutually dependent parts of a completed whole. We have, so far as possible, excluded from our consideration the subject of medical benefit, except where the operations of the Act bring medical benefit into so intimate a connection with sickness benefit that the two cannot be divorced. Certain conclusions with respect to the administration of medical benefit, considered apart from sickness benefit, have been forced upon us, and at a later stage of this Report we shall make suggestions for the further consideration of this question by such means as may be thought desirable by those responsible.

11. From the point of view of our Committee, however, the framework of the Act is built up on sickness benefit, and all the machinery of the Act may be considered in its function of collecting the contributions of insured persons, so as to form a fund out of which that benefit can be paid; providing medical attendance so that the insured person may be prevented from becoming a claimant for sickness benefit or certified to be a proper claimant for that benefit, and cured, so that he ceases to be a claimant; and testing his claim for sickness benefit, and conveying the sums payable in respect of that benefit to him expeditiously, and with due regard to certainty, justice, and economy.

12. So far as maternity benefit is concerned, when the question of women of child-bearing age is considered in relation to sickness benefit, it becomes apparent that the administration of the two benefits, at least so far as concerns those women who are themselves insured persons, must necessarily be interwoven. Since the changes in the law introduced by the Act of 1913, that which was originally contemplated as the "sickness benefit" payable in respect of the first four weeks after confinement, has become a "maternity benefit" payable in one lump sum. This is little more than a change in name, and the true problem in relation to women of childbearing age (that is, the amount which may properly be expected to be paid in connection with the periods of pregnancy and childbirth) can only be gauged through an investigation which takes account of the disability arising during the whole childbearing period as well as during the periods immediately preceding and following childbirth.

GENERAL SURVEY OF MACHINERY SET UP BY THE ACT.

THE COMMISSIONERS.

13. In effect, therefore, it is necessary for us to take a survey of the whole machinery set up by the Act. We have first to deal with the enactments of the statute itself, and the subordinate legislation brought into existence under the Act by the Commissioners, and with the operations of the Commissioners themselves as the promoters, subject to the veto of Parliament, of this subordinate legislation. Besides this function, however, the Commissioners, perform certain well-defined duties under the statute. They have the control and management of the fund into which the contributions of employers and employed are paid, and out of which issues are made to the societies. They sit as arbitrators on appeal from the domestic tribunals of the societies themselves, and they have, under the statute, the duty of deciding innumerable questions as to the status of persons in respect of their liability to compulsory insurance under the Act. Upon them was laid the duty of approving the societies for the purposes of the Act, and certain, though not all, of the rules of these societies require the Commissioners' approval for their validity. Important duties, also, arising out of the valuations of approved societies will rest upon them.

14. Besides these clearly-defined duties, they have had, and have exercised from the commencement, the more general duty of advising and assisting the societies, both in their formation and in their subsequent operations of interpreting the Act and the regulations. It should, however, be clearly understood that the powers of the Commissioners are subject to very strict limitations. They have no general power to lay down the correct interpretation of the Act, which is left to the ordinary tribunals of the law. In essence each society, when once it has obtained approval, is an independent and self-governing body, only amenable to legal processes, and entitled, when once it has obtained approval, and so long as it remains approved and conforms to the law, to carry on its operations in its own way.

THE APPROVED SOCIETIES.

Number and Nature of Government.

15. The next agency to be considered is that of the Approved Societies. In all 2,608 societies have obtained approval under the Act, 2,218 of whom were approved for the purpose of carrying on business in England. The number of societies at present actually operating in England is 1891. These range in size from the great centralised societies and the great affiliated orders with many hundreds of thousands of members, down to small village or local clubs whose membership in some cases does not exceed 100 (*Daniels, Q. 14,074*). Between these two extremes we find almost every conceivable variety of type of administration. Some societies are centralised both as to control and as to finance (*Hollins, Q. 9051; Dyer, Q. 23,567, &c.*); that is to say, their central executive body exercises or purports to exercise a control over the payment of every claim (though some form of delegation is sometimes permitted in dealing with the simpler cases), and the funds of all the members are pooled together so that all alike suffer from maladministration or any other cause resulting in a deficiency, or gain the advantage of good administration resulting in a surplus.

16. At the opposite extreme from this system of organisation come the great affiliated orders, where each registered branch (lodge, court, or tent, &c., as they are variously called) stands or falls by its own local administration over which control is exercised by its local Committee (*Shaw, Q. 6586; Hymer, Q. 19,026; Johnson, Q. 26,350*). The effects of this system of local finance are, however, mitigated by the provisions of the Act, which require the sharing of some part of any realised surplus among the branches in the same society or district which are in deficiency, and thus require the more successful branches in the organisation to assist the less fortunate.

17. In practice, however, even in these cases the central authority endeavours to exercise some control over the methods employed by the local branch. Sometimes this control amounts to little more than judicious advice (*W. P. Wright, Q. 31,459; Jones, Q. 41,118*); sometimes it results in substantial assistance by way of help in the technical matters of administration (*Johnson, Q. 26,357*), and sometimes an endeavour is made to bring all the local units up to a certain standard of administration (*Huntley, Q. 24,842*). Cases, however, are also to be found where, while the finance of the society, or alternatively the district, is centralised and no local units exist for separate valuation, all local control is left in the hands of local officials (*J. Duncan, Q. 4016-9; I. Wright, Q. 21,560*).

Differences in Character of Membership.

18. Any inquiry into the administration of sickness benefit must be concerned largely with the results which flow from the adoption of any one of these types of organisation. At the same time there are great difficulties in disentangling the causes which in the case of any particular society lead to successful or disastrous results. Not only are societies differentiated by the type of organisation adopted, but they also differ widely one from another according to the character of their membership. Some societies (and those the largest of all) contain a fairly representative aggregation of the members of the insured population (*Jefferson, Q. 7178; Barrand, Q. 4742; J. Duncan, Q. 3550; Hymer, Q. 19,037*). Others have had as their object the selection of members of a particular type grouped together by reason of employment in a particular industry. Thus most of the Trade Union Approved Societies comprise a membership composed entirely of men or of women, or of both, engaged in one occupation or in a number of allied occupations. Again, other societies appear to have had a peculiar attraction for persons of a particular type of occupation or habit of mind (*Tuckfield, Q. 1078; Daniels, Q. 13,810; I. Wright, Q. 21,574; Saunders, Q. 9560-1*). Some, again, are purely local. Others have taken as their leading principle a limitation of membership to total abstainers; and others, being founded in connection with particular places of worship or particular religious agencies, have collected a membership composed in the main of persons within the spheres of influence of the religious denominations concerned. Many societies admit men only or women only.

The result is that in many cases a particular society presents very strongly marked individual features. Each of the old friendly societies which in the past, especially in the case of some of the longest established, exercised a careful selection, and required medical examination on admission, and which in consequence was composed in the main of the more thrifty members of the working classes, has succeeded in a

large measure in retaining its peculiar characteristics. These societies, for the most part, have without any further medical examination admitted as members for the purposes of the Act all those employed persons who were their members on the voluntary side before the Act came into operation, and who were willing to enter. It follows that each of these societies is composed in great part of persons who are to some extent familiar, through old experience, with the principles of sickness insurance (*Saunders, Q. 9572*).

19. This statement must, however, not be pressed too far, both because these societies have also admitted large numbers of persons who were not previously members on the voluntary side (*Daniels, Q. 13,794-8*; *Tuckfield, Q. 790*), and also because we find in our witnesses a tendency to deplore a certain weakening in the interest displayed by their members in their societies—a weakening which, in our view, and as is admitted by several of these witnesses, has been in progress for many years and must, therefore, be attributed largely to causes other than the operation of the Act (*Gray, Q. 5614*; *Hyner, Q. 19,954, &c.*).

Segregation in certain Societies of Certain Types of Lives.

20. On the other hand, the association together of unskilled persons engaged in particular trades sometimes results in the segregation of persons less fitted than the average member of the working classes for withstanding the strain of industrial life; and we find also aggregations of persons who, though not less healthy than the average of the population, are engaged together in trades which are peculiarly hazardous as regards sickness experience.

Consequent Variation in Meaning of Words "Incapable of Work."

21. A further somewhat unexpected result follows from segregation; namely, that in societies of different types, strongly divergent practices have arisen as to the circumstances in which sickness benefit should be paid. "Inability to work" has had in the past widely different meanings when it stood in relation to a man engaged in strenuous and exacting work such as coal mining on the one hand (*Charles, Q. 20,726*), and an ordinary member of a society largely composed of sedentary workers on the other.

Responsibility of Societies as regards Payment of Claims.

22. A society, however formed and by whatever rules it is governed, is bound upon receiving a claim for sickness benefit to deal with it in accordance with the statute which confers his rights upon an insured person and the rules of the society regulating the machinery whereby claims are to be made and proved. It has a great discretion with regard to the manner in which claims are actually dealt with, to the system whereby the sick are visited in their homes, and to the sternness or laxity of the discipline imposed upon members in receipt of sickness benefit. The methods employed for these purposes will result in good or bad experience, according as they are well or ill-devised and well or ill-employed. But in essence the society, like the Commissioners themselves, is a body bound by law. It cannot capriciously admit members to benefit or capriciously reject the claims of those persons who are incapacitated from work by reason of specific disease or bodily or mental disablement.

THE MEDICAL PROFESSION.

Nature of Arrangements with Practitioner.

23. The agency next to be considered is that of the medical profession. By statute every duly qualified medical practitioner has a right to place himself upon the list of those who, in the county borough or county in which he practises are to give medical attendance and treatment to insured persons, and to receive, in respect of that medical attendance and treatment, fees calculated in accordance with the arrangement made between him and the Insurance Committee for the area.

24. The Insurance Committee cannot make any selection among these practitioners. In the event of abuse, the Committee is empowered after inquiry to represent to the Insurance Commissioners the necessity for removing the name of any practitioner, who has entered into arrangements with the Committee, from the list. Primarily the duty of every practitioner is to attend and treat those insured persons who have selected him, and whom he has accepted for the purpose; and every insured person is entitled to the services of some practitioner.

25. The arrangements described in the preceding paragraph are those under which the great majority of insured persons obtain medical attendance and treatment. The Act provides, however, for attendance and treatment being obtained in special circumstances in certain other ways. An Insurance Committee may allow any insured person, and may require any insured person whose income exceeds a limit fixed by the Committee, to make his own arrangements for obtaining attendance and treatment, the Committee in these cases contributing towards the cost of the attendance and treatment so obtained. Again an insured person, who is entitled to obtain treatment under a system or from an institution which was in existence prior to the passing of the Act, and which has obtained approval from the Committee and the Commissioners may, if he so desires, obtain his medical attendance and treatment under that system or from that institution, the Committee contributing towards the cost as in the case of those who have made their own arrangements.

Duty of Certification.

26. The most intimate connection between the practitioner and the administration of sickness benefit lies in the fact that it is upon the certificate of the medical practitioner that the insured person makes his claim. It is true that the medical certificate is not in law the sole evidence available to the insured person for proof of his incapacity. In theory this fact has an immense importance in the consideration of the whole machinery of claiming; but in practice the number of cases in which it is sought to substantiate a claim for "sickness benefit" without the assistance of the medical certificate is negligible.

27. The certificate is given by the medical practitioner on the panel in pursuance of a clause in the contract entered into by him with the Insurance Committee, under which he agrees in effect to give, without charge, the initial certificates, the continuation certificates and the declaring-off certificates required by the rules of the society of which the insured person is a member. Any practitioner with whom an insured person has made his own arrangements, and the medical officer of any system or institution through or from which an insured person has elected to obtain his attendance and treatment, is similarly placed under an obligation to furnish such certificates as a practitioner upon the panel would, in the same circumstances, be under an obligation to furnish.

Relations between Societies and Doctors in the Past.

28. As has been already stated, many of the medical practitioners now on the panels were, before the Act came into operation, doctors to the friendly societies or their branches, and were remunerated by those societies or branches at a payment calculated per head of the membership which had a right to receive medical attendance from them. The connection between the societies or branches and the doctors acting for them was in many cases extremely close (*Bunch, Q. 11,192; Barker, Q. 8375; Hyner, Q. 19,108*). It is unnecessary here to enter into the somewhat heated controversy which has raged round the subject of contract practice. It is sufficient to state that, whether for better or for worse, the effect of the Act has been to place the old friendly societies and their doctors in a new relation, while at the same time it has introduced into the work of certifying on the one hand, and paying upon the certificate on the other, a host of doctors and officials who had no previous experience of the work (*Thomas, Q. 4166*).

29. In the past, we are told, the local committee of the society or branch were indifferent as to the exact nature of the disease stated upon the certificate (*Barnes, Q. 41,880*). In effect, it is said, they regarded the issue of a certificate to one of their members as a pledge of the professional reputation of the doctor by whom it was issued that the member was from a medical point of view entitled to be placed upon the funds, having regard to the local custom, whatever it might be, with respect to the standard of incapacity required. Those responsible for the management of the friendly society placed reliance upon this pledge of the doctor's reputation, both because he was an officer of the society and because from long association with him they had come to regard him as a friend who would consider the needs of the lodge as well as the legitimate claim of the member, and also from motives, not so altruistic in themselves, natural to people who hold the purse strings and are able, in the event

of a difference of opinion, to bring the relation between the doctor and the lodge to an end.

30. It would be both harsh and meticulous to analyse too closely the degree in which each of these motives entered into the relation ; and, while every credit must be given to the witnesses who have expressed this view of the matter to us, some account must be taken of the fact that they speak as those looking back to what many of them regard as a golden age. But when every allowance has been made for this natural tendency to regard the former times as better than these, there can be no doubt that in the past the officials did not consider it necessary to criticise certificates with any great care, and relied both upon the society's doctor and upon their own personal knowledge of the circumstances and habits of the claimant to safeguard the funds against improper claims (*Hyner, Q. 19,115-6*).

Attitude in the Past towards Doctors' Certificates.

31. There is, however, a certain misunderstanding inherent in many of the statements advanced in evidence on this question. Statements have repeatedly been made by witnesses to the effect that they have never felt it to be part of their duty to go behind a doctor's certificate, and that they have accepted certificates as complete evidence that the claimant for benefit is really ill and incapable of work (*Pimble, Q. 37,269, 37,271*) ; that, unless some offence had been committed, the doctor's certificate was taken as the final voucher for sickness benefit, and that the custom is still in force of paying upon the production of the doctor's certificate only (*Hyner, Q. 19,535-7*) ; that, previous to the commencement of the Act, the doctor's certificate had always been accepted as the sole proof in support of a sickness claim, and acted upon (*Wigglesworth, Q. 18,087*) ; that a secretary never thought of questioning a doctor or of having any dispute with him about his certificates (*W. P. Wright, Q. 31,789*) ; that a secretary feels that when he has a certificate signed by a medical man he is bound to accept the statement made on it (*Pearce, Q. 6394*). The same view is frequently expressed in the statement that medical opinion must finally decide the question of incapacity (*Barnes, Q. 41,899*) ; and in this form the same view may be traced in the evidence of certain medical witnesses, that it is the doctor who is to decide whether the insured person is ill enough to have sickness benefit or not (*Burgess, Q. 20,231*), that the certificate amounts to a sort of cheque drawn upon the funds which the society is keeping on behalf of the insured persons, that the referee must have the last word if appealed to by the society (*Devis, Q. 40,083*).

The necessity of "Questioning" the Doctor's Certificate.

32. In reality, such statements involve a misapprehension of the point at issue, and the observations made with regard to the past practice of societies do not represent a practice differing from that which it is now assumed must be adopted in "questioning" doctors' certificates. The right of an insured person to obtain sickness benefit is dependent upon his being rendered incapable of work by specific disease or by bodily or mental disablement. Apart from the question of what is involved in incapacity for work, which need not be considered at this point, this does not differ materially from the old criterion under which sickness benefit was granted by friendly societies. As already stated, societies require that any such claim should be substantiated by evidence, and by their rules they specify as the best evidence available, the certificate of a medical practitioner. In ordinary circumstances, it is necessary that such a certificate should be produced in support of a claim for sickness benefit, and ordinarily the production of such a certificate will be sufficient to justify the payment of the claim in support of which the certificate is produced. Circumstances may, however, arise in which other evidence might be presented in support of a claim, and if the evidence so presented is sufficient to constitute adequate proof of incapacity entitling the insured person to sickness benefit, the claim must be met by the society. There are, on the other hand, cases in which the evidence of a medical certificate is not sufficient, or is open to rebuttal by other evidence. The statement contained in the medical certificate merely purports to be the considered opinion of the medical practitioner. In a very large class of cases, the causes of incapacity present subjective symptoms only (*Divine, Q. 33,376 ; W. Duncan, Q. 17,389-92*). In these cases the doctor has to rely almost entirely on the statements made by the patient, and where the society has knowledge that the behaviour of the insured

person is inconsistent either with the illness from which he is alleged to be suffering or with the condition of incapacity which is alleged, it is the duty of the society to weigh the evidence of the doctor's certificate against the other evidence bearing on the question of the insured person's incapacity, before deciding to grant or withhold payment of benefit.

Practice of Societies in the Past.

33. This is not only obviously necessary, but it is closely allied to the course which in fact societies have adopted in the past. It is abundantly clear from the evidence that societies made use of the intimate connection between the lodge and the doctors to bring to the knowledge of the doctor facts which in their opinion ought to be taken into consideration in determining the question of the claimant's incapacity, and in the light of which it was at least assumed that the doctor might revise the judgment already given by him. Thus in the past where societies thought that the complaint was trivial, they interviewed the doctor (*Crisp, Q. 39,008-9*); where they thought a man was too long on the funds, they would get into touch with the doctor, who would thereupon give special attention to the case (*Barker, Q. 8,380*); if it was a case of shamming, the court and the doctor would take joint action (*Hyner, Q. 19,107*), or in an obvious case the court would refuse benefit (*Hyner, Q. 19,258*); when the society had any doubt about a man, they went to the doctor, and they talked over the matter in a friendly spirit (*W. P. Wright, Q. 32,135*). Societies, therefore, did not, in spite of professions to the contrary, resign their discretion to the medical officer. On the contrary, the intimate knowledge which they had of their fellow members and their close relations with the doctor enabled them to exercise a very real and effective check on the certificates received. It is scarcely necessary to observe that what has been found necessary in the past practice of friendly societies is even more necessary under present conditions, when the introduction of a large section of the population to insurance has at least for a time deprived the societies of that intimate knowledge of all their members which previously existed in many cases, and when simultaneously there has been introduced to the work of certifying a large body of doctors who have not been trained to a knowledge of the conventions and the practice of friendly society work. The necessity for a society to exercise a power of questioning certificates and to keep in touch with the medical practitioner in cases about which they are doubtful may be sufficiently illustrated by a case brought to the notice of the Committee in which an insured person earning 22s. a week and insured for 34s., with a previous record of obtaining 10 weeks benefit a year, declared on the funds of the society after preliminary inquiry to satisfy himself that he was in benefit to the full amount. In this case the local secretary and the sick steward were both satisfied that the man, who beguiled the tedium of his leisure by attending to his pigs, "did not seem ill in the least," yet they professed themselves obliged to pay benefit because he produced a certificate from a doctor, who, according to the belief entertained by the local secretary, "gives a certificate to anyone who asks him for one." Apparently, no attempt was made to communicate to the doctor the grounds on which the society's suspicions were based (*Mander, Q. 21,628-21,635*). When a society is urged to "question" medical certificates, it is not intended that they should arbitrarily or capriciously set aside the evidence of the medical certificate, but merely that they should assess that certificate in the light of any other evidence of which they may be possessed. As friendly societies have done in the past, so should they continue to make use of their knowledge of the habits or the behaviour of the insured person as evidence which along with the medical certificate must be taken into consideration, if necessary after consultation with the doctor, before a decision is arrived at on the question of paying the claim.

34. It must also be remembered, in considering this question, that disputes, arising as to title to benefit between a member and his lodge, were decided in the past by the domestic tribunal of the lodge, which no doubt dispensed equity to the satisfaction of the members generally.

35. There is this much to be said, in support of the distinction which the friendly society witnesses attempt to draw between the former practice and the present, that the scope for differences of opinion arising on the certificate was narrower, when the medical man was an officer of the society dealing with patients whose characteristics both he and the officials knew more or less intimately, than it is under the present (transient, it may be hoped) conditions, when patient, doctor, and official are comparatively ignorant of, and out of close relationship with, each other. Thus the society witness, when he says that it was never the practice to question a

medical certificate, is thinking of a state of affairs in which the doctor, as an official responsible to the society, was careful as a rule to weigh the disabling effect of the complaint for which he was consulted before he gave a certificate of incapacity for work to the patient. We shall have occasion at a later stage to discuss defects in certification, but it is convenient here to recognise the difficulties in which societies, accustomed to attach great weight to medical certificates, even though they might raise questions upon them, have been placed by the presentation to them of certificates for alleged incapacity due to causes from which, ordinarily incapacity would not arise. In the words of one witness, "We never saw a certificate from a doctor certifying a young girl or a youth to be suffering from debility, and we never saw toothache, earache, and headache, until the Act commenced operations." (*W. P. Wright, Q. 31,794*). It cannot be doubted that this new feature in certification, combined with the loss of the old system of direct communication between the societies and the doctors has led to a feeling of helplessness in the minds of society officials to which must be attributed some of the confusion of thought to which we have directed attention.

Necessity of Maintaining Old Practice.

36. The Act, which confers upon members a right to sickness benefit by Statute, and entrusts the granting of certificates to medical men, who have no direct personal business relationship with the management of the fund out of which the benefits are paid, has really placed a new value upon precision in the certificate itself, and invested the circumstances in which it is given and received with a new sanctity. It has no less made it incumbent upon societies to test as carefully as in the past certificates which are now received from doctors with whom the old intimate relations no longer exist.

INSURED PERSONS.

37. On the assumption that the claims made upon the National Health Insurance Fund for sickness benefit are in excess of the Actuaries' estimates, or are in excess of what is proper, it is clear that it is at least as likely that this excess proceeds from a defect in some one or more of the agencies already described as from the actions of insured people. It is, however, much easier to allege broadly that insured people as a class make excessive claims, or, as it is sometimes said, malingering, than it is to detect, and trace to their ultimate cause, the deficiencies in the machinery.

Difficulty of Generalisation.

38. Generalisations as to the action of insured people as a whole are necessarily too wide to be reliable. The insured population includes almost the whole of the industrial population, and clearly the point of view of a man in good regular employment who has been insured in a Friendly Society for many years, must differ from the point of view of a woman in low-paid employment, who has never thought about sickness insurance until she finds herself insured as an employed contributor under the Act.

Provisions of Section 72 of the National Insurance Act, 1911.

39. Certain generalisations, however, may be permitted. In the first place, some millions of those who are employed contributors under the Act were at the time of its commencement already insured against loss of wages through sickness. The Act, by section 72, contemplated that those registered Friendly Societies, which provided benefits similar to any of those conferred by the Act, might abolish, reduce, or alter those benefits as respects members who became insured persons, applying the resulting saving, if any, for the benefit of the existing members of the society. Very little advantage has been taken of this provision. None of the large societies which were represented in evidence before us have made a compulsory scheme reducing the rate of sickness benefit payable to their members on the private side, or the contributions paid by them on the private side for sickness benefit, and the general consensus of opinion among members of the societies concerned has been in favour of retaining both the existing contributions and the existing benefits at the level at which they stood before the Act.

40. This result is somewhat surprising having regard to the financial position of many of the societies at the passing of the Act. Valuations of the private funds of many of the societies had disclosed deficiencies—sometimes to a very considerable extent; and it might have been anticipated that governing bodies of societies, by endeavouring to induce their members to take advantage of the section and to reduce their contributions and benefits, would use this opportunity to bring the societies back to solvency on the private side. In fact, however, except in very few cases, the only action taken has been to offer an option to the members to submit to a reduction of contribution and benefit.

Failure of Section 72.

41. In consequence, in many cases brought to the notice of the Committee the effect of section 72 has been negligible. In the Order of Druids Friendly Society, 96 per cent. of the membership continued their full contribution (*Shaw, Q. 6511*); in the Hampshire and General Friendly Society, the percentage is about 91 (*Bunch, Q. 10,878*); in the Ideal Benefit Society the number applying for reduction is given as negligible (*Daniels, Q. 13,854*); in a female branch of the National United Order of Free Gardeners, only two members reduced (*Wigglesworth, Q. 17,838*); in the largest district of the Sons of Temperance only $1\frac{1}{2}$ per cent. reduced (*Wightman, Q. 25,388*); in the National Independent Order of Oddfellows about 93 per cent. continued their full contribution (*Johnson, Q. 26,478*); in the Manchester Unity the figures given for those reducing their contributions indicate a percentage of 9 and 2 in certain districts (*W. P. Wright, Q. 31,669-31,824*); although in other lodges the number reducing is much higher (*W. P. Wright, Q. 31,828*), and in the Sheffield Equalised Independent Druids only about $3\frac{1}{2}$ per cent. reduced (*Mander, Q. 21,692*). Figures such as these indicate that the members of the societies themselves could only with difficulty have been induced to sanction a compulsory reduction of contribution and benefit. It was stated by the High Chief Ranger of the Ancient Order of Foresters that the rank and file of the Order would not for a moment have countenanced a compulsory reduction under the section (*Hyner, Q. 19,336*), and evidence in the same sense was received from the Grand Master of the Manchester Unity (*W. P. Wright, Q. 32,218*). The difficulty experienced in effecting a compulsory reduction is also evidenced by the failure of one society which endeavoured to do so, but was unable to obtain the consent of its members to the adoption of this course (*Pimble, Q. 37,164-5*).

Extent of Double Insurance.

42. In this connection a few figures may be given to illustrate the extent to which members who are insured for the purpose of the Act are also members on the voluntary side. In the Rational Association Friendly Society, out of a membership for State purposes of 108,087, 76,000 are also members on the voluntary side (*J. Duncan, Q. 3545*); in the Order of United Sisters practically all on the private side are also on the State side (*Pearce, Q. 6097*); in the Order of Druids, of 68,422 men who are members on the State side, 50,000 are also members on the private side (*Shaw, Q. 6478*); in the Tunbridge Wells and S.E. Counties Equitable Friendly Society, of a total membership for State purposes of 30,000, about 20,000 are members on the voluntary side (*Saunders, Q. 9334*); in the Ancient Order of Foresters, of a State membership of 658,096, 448,354 are contributing also for voluntary benefits (*Hyner, Q. 19,019*); in the Amalgamated Union of Co-operative Employees, all the members on the State side are also members on the voluntary side (*Davies, Q. 35,980*), and the same is true of the Amalgamated Society of Tramway and Vehicle Workers (*Jackson, Q. 36,471*); in the Gloucester Conservative Benefit Society (Men), 90 per cent. of the State members are members of the parent society, while in the case of the corresponding women's society, 80 per cent. are members of both (*Pimble Q. 37,026-7*).

43. In contrast to the general failure to take advantage of the provision of section 72 of the Act, special mention must be made of the action taken by the Royal Oak Benefit Society. The committee of this society, apparently with some difficulty, induced its members to agree to a compulsory reduction of contributions and benefits (*Dyer, Q. 23,615-7*). The experience of the society has been an eminently favourable one, and, in the opinion of the secretary, the action taken under section 72 is likely to prove its salvation. A similar compulsory scheme has been put into operation by the Midland Railway Friendly Society (*Woodcock, Q. 15,035*) which has

experienced, in contradistinction to most societies, a lighter rate of sickness on its private side in 1913 than in 1912 (Q. 15,058).

44. These, however, are merely isolated examples, and the general result of section 72 having been to such an extent inoperative is that the position of these millions of insured persons has been materially changed at least in this respect, that while sick they now obtain 10s. or 7s. 6d. per week more than formerly. Except in rare cases, it is probable that the amount for which these members were previously insured was something less than the wages which they earned when at work. The addition of the benefit under the Act has in these cases completely changed the situation. In the words of one witness, "if you take the case of the majority of workers earning from 25s. to 30s. a week, when they go on ill and get only 10s. a week, they begin to feel the pinch of poverty, but if they get another 10s. or 12s. a week, they do not feel the pinch, and there is no great inducement to them to go back to work." (Rogers, Q. 15,391).

Cases of Multiple Insurance.

45. Sometimes the insured person is, in addition to his State insurance, entitled to receive benefit from more than one society of this kind, and we have heard in evidence of numerous cases in which the insured person draws as sickness benefit a sum considerably in excess of his normal rate of remuneration. Among such cases may be noted a platelayer earning 1l. 1s. insured for 28s. 6d.; an apprentice hairdresser earning 7s. insured for 16s. (Shaw, Q. 6805); an employee in a dockyard earning 2l. 2s. insured for 2l. 11s.; and another case in the same society insured for 32s. against a weekly wage of 18s. (Bunch, Q. 10,868); cases of insurance for 35s. when the wages range from 30s. upwards (Daniels, Q. 13,846); a labourer earning 22s. insured for 34s. (Mander, Q. 21,628); an agricultural labourer earning 15s. insured for 30s. (Hartop, Q. 22,368); a labourer earning 25s. insured for 28s. (Hodgson, Q. 25,672); cases of tramway employees who with the sick pay obtained from their employers may receive 2l. when sick as against a wage of 32s. (Jackson, Q. 36,491); agricultural labourers receiving from 18s. to 22s. when sick, earning from 13s. to 14s. when at work (Dixon, Q. 39,481). From such specific cases as these and from the general observations of the witnesses on this question, it is evident that insurance for a sum in excess of the normal wage of the person insured is now by no means uncommon.

Effect of "Over-insurance" on Sickness Claims.

46. Even with a knowledge of such facts as these, it is, however, difficult to arrive at a decision as to the extent to which over-insurance is an effective factor in producing or prolonging sickness claims or indeed to arrive at any precise definition of "over-insurance." It has been urged by some witnesses that the man who is insured in several societies is temperamentally prudent and that for the most part the spirit of thrift and foresight which leads to insurance in several societies, will only be found in the very best type of workman who will only claim when it is absolutely necessary to do so (Barber, Q. 8322). In particular one case was instanced, where an insured person, much "over-insured" in the ordinary sense, refused to draw benefit on being offered temporarily a light occupation at a wage much below the rate of benefit which it was open to him to receive (Divine, Q. 33,214). It has also been argued that double insurance will not in the long run produce the effects which some ascribe to it, inasmuch as the insured person is enabled to remain longer on the funds, and thereby avoid a second illness by getting completely cured from the first (Dixon, Q. 39,557; Johnson, Q. 26,480).

Meaning of Over-insurance.

47. With regard to the meaning to be attached to the phrase "over-insurance," there is also a divergence in the views expressed by the witnesses. Repeated expression was given to the theory, that, inasmuch as expenses necessarily incurred are greater in sickness than in health, no objection can be taken to an insured person receiving, when sick, benefit somewhat exceeding the wages earned when at work. "When I am well," it is said, "I could eat a crust of bread and cheese, and enjoy it, but when I am ill, I cannot. I want more expensive food" (Pimble, Q. 37,165). When sick, it is urged, an insured person requires more care and nursing

(*Davies*, Q. 36,168), and in many cases if he is to receive proper food and attention, he would require something in excess of his ordinary earnings (*I. Wright*, Q. 21,919). For these, and analogous reasons, some witnesses have not been in favour of imposing any limit on the amount to which an insured person should be allowed to insure for sickness benefit (*Wigglesworth*, Q. 18,207). On the other hand, certain witnesses have regarded as a state of over-insurance, not only any case where the benefit exceeds the normal rate of remuneration, but also where it nearly approaches that amount (*Wightman*, Q. 25,317). The argument, however, that in cases of genuine illness a larger income may be necessary than in times of health, even if granted as valid, does not meet the difficulty that during periods which could not be regarded as times of genuine illness, the possibility of drawing more when idle than when at work might furnish an inducement to declare on the funds unnecessarily, when no case could be advanced for the necessity or desirability of more money being available for the household. If it is granted that any excess furnishes usually a certain temptation, it may be argued that it is expedient that the maximum sum insurable should be somewhat less than the ordinary earnings of the insured person (*Jackson*, Q. 36,555).

Effects of a Deposit System.

48. As an illustration of the moral effects of over-insurance, reference may be made to the case of those societies which conduct the business of sickness benefit on the private side upon a deposit system, under which the member has a direct financial interest in drawing as small a sum as possible from his account with the society. We found throughout our inquiry that where members are insured both on the State and on the voluntary side, the experience of the two sides since the passing of the Act corresponds very closely. In societies conducted on the principle here described the experience since payment of benefits began has been distinctly below that usually found in societies conducted on other methods, and while some part of these favourable results is due probably to the character of the old membership, some part also must, in our view, be attributed to the fact that the member has an inducement to refrain from drawing money on the private side. In the case of one such society, where the amount paid per member per week for men was 1'45d., the assistant secretary attributed the favourable experience to the peculiar constitution of the parent society (*Saunders*, Q. 9782).

Suggested Remedies.

49. The question whether the Legislature should make provision for these cases by limiting the amount to be drawn on the State side where, when added to that drawn from private insurances, it exceeded the claimant's wages, was considered when the Act of 1911 was in Committee, and a provision to this effect which appeared in the original Bill was deleted in its passage through the House. From the almost complete failure of section 72 of the Act, there is some ground for assuming that that portion of the insured population which has been in the habit of making provision of this kind, would greatly resent any proposal which might be represented as an attempt to limit the amount of provision which they were entitled to make. Such a proposal would, we anticipate, be objected to, not only on the plea that a man requires more when sick than when in health to maintain himself and his family, but also on general principles that it would be an unwarrantable interference by the State (*Jackson*, Q. 36,741).

50. We are, however, not confident that those who have continued the old rate of payment would take the same view of the matter, if bad trade were to cause any considerable degree of unemployment. We fear, that in the event of bad trade and unemployment becoming general, many insured persons would be likely to cease their contributions on the private side. In that event they would lapse from insurance on that side and would suffer the loss of the benefits for which they have contributed for many years.* They would thus be placed in a far worse position than if they had been compelled to reduce their contributions under section 72 or had exercised their option to do so. It is still open to societies to submit amendments to their schemes reducing or altering contributions and benefits.

Possible Action by Approved Societies.

51. There is much to be said for a proposal that societies might, if they thought fit, impose upon their members by rule an obligation to state the total amount drawn by them in "sickness benefit" from all sources. Some societies at present

exact a statement of this character from their members before accepting them for membership on the private side, and limit the amount insured on the private side by reference, sometimes to the total amount insured, and sometimes to the average amount earned in the employment in which the member is engaged (*Daniels*, Q. 13,853; *Morland*, Q. 34,997). It would require an alteration of the law, which it might be difficult to effect, to enable or require societies to reduce the flat rate of sickness benefit payable on the State side, and they already have power to impose limits on the private side. In these circumstances the Committee can only suggest that societies should, where they find evidence of over-insurance, encourage the adoption of alternative benefits, and at the same time, in scrutinising the claims for benefit, consider themselves as put upon inquiry, and apply the strictest tests possible by way of sickness visitation and communication with the doctor. It must be remembered that many of the illnesses from which people are alleged to suffer are so subjective in their nature, that it is impossible for an outside observer to judge whether they are incapable of work. In other cases, where no allegation is made that a man is simulating or exaggerating symptoms of disease, it is necessary, in order to gauge the person's willingness to make an effort, to take into consideration the temptations to which he is exposed.

Novelty of Insurance.

52. It has been suggested to us that apart from any inducement to come or remain on the funds owing to what may be called over-insurance, there are cases where the doubly insured member now comes on the funds though he would not have done so previously, not because he is over-insured, but because he is now adequately insured for the first time (*Johnson*, Q. 26,259). There remain also great masses of cases, where, whether adequately insured or not, the insured person is for the first time in his life able when sick to draw something in lieu of wages. This class of person (and in this class are included, with such few exceptions as to be negligible, the whole female insured population) was for the first time, in July 1912, introduced to the principle of insurance against sickness. It is hardly likely that he or she has succeeded in grasping the idea. In the first place, the whole surroundings are completely novel. The steps to be taken to join a society, to apprehend its rules, to fill up the necessary forms, and to give the necessary notice at the proper time, involve an amount of reading and writing to which great masses of the industrial population are strange. To many insured persons, we are assured, nevertheless, the matter is a clear and simple one. He or she has paid in certain sums of money, and expects at an early date to obtain commensurate advantage in cash; they have "paid in 26 sixpences and they want to have out 26 seven-and-sixpences" (*Sanderson*, Q. 35).

Unwillingness to bring the Period of Incapacity to an End.

53. Yet, even in recording this fact, it must be stated also that the main feeling in the mind of anyone examining the operation of the Act, is one of wonder that it should proceed as smoothly as it does. Practically all the witnesses, medical and lay, repudiate the idea that any appreciable amount of fraud exists. Falling short of deliberate fraud, however, there is a considerable body of evidence both from representatives of approved societies and of the medical profession of an unwillingness to bring the period of incapacity to an end, and of difficulty in getting an insured person who has once declared on the funds to declare off (*Sanderson*, Q. 40; *Clayton*, Q. 3054; *Thomas*, Q. 4478; *Jefferson*, Q. 7197; *Hollins*, Q. 9399; *Willson*, Q. 5939; *Lamacraft*, Q. 9881; *Bond*, Q. 18,477; *Gordon*, Q. 2406; *Bunch*, Q. 10,845, &c.).

54. Various aspects of this were emphasised by representatives of approved societies. On the one hand, the peculiar position of married women renders it difficult to supervise them while in receipt of sickness benefit. Having declared on the funds, "they must clean down" (*Thomas*, Q. 4199, *Duncan*, Q. 3702), and there is thus not only a temptation to remain on the funds in order to do housework, but there is also a tendency that the period of actual incapacity itself may be prolonged. This, however, is no new difficulty (*Wigglesworth*, Q. 17,842, 18,249), and has in the past been the occasion of many attempts to define with precision what a woman could or could not do while in receipt of sickness benefit.

55. Another aspect of this tendency to remain unduly on the funds is to be found in a certain disposition to make use of the sickness benefit while out of employment, or to cover a period of what may, no doubt, be a very desirable rest from labour

(*Parsons, Q. 31,247*). Cases of this nature have been instanced in which the insured person has declared off on obtaining employment, and has stated as his reason for not declaring off earlier that he had no work to go to (*Layton, Q. 29,176; Jones, Q. 41,218; W. Duncan, Q. 17,092; Bennett, Q. 16,129*). It is stated that the insured person regards such a perversion of sickness benefit as a perfectly legitimate action, and it has even been said that the confusion between sickness and unemployment benefit is the result of the fact that successive generations of society officials have winked at the practice (*W. Duncan, Q. 17,094*).

56. The evidence of the medical practitioners who appeared before us also emphasises the tendency to make claims which are not themselves unjustifiable from the beginning, but are unjustifiable as the magnification of something which is itself justifiable (*Hodgson, Q. 25,622; Bennett, Q. 16,096*). From the medical point of view, the difficulty experienced in connection with the tendency to remain improperly on the funds is connected with the fact that, in the words of one witness, the certificate of incapacity is a rigid thing. "A certificate of illness assumes that illness starts on "one day and finishes on another. Illness is the exact opposite; it comes on gradually "and declines gradually" (*Bond, Q. 18,861*). In various forms this difficulty has been advanced by medical practitioners in connection with this problem, or that of the tendency "to round off the week." It is admitted that there is a distinct inclination to outstay the correct period on the funds, but as it is expressed, "if a girl has anæmia, you cannot tell exactly when she is fit to do her work" (*J. E. Phillips, Q. 35,489*).

57. In addition to this unwillingness to bring the period of incapacity to an end, which occurs more particularly in the case of a long illness, there is a certain amount of evidence of an intention to get the most out of the Act, pointing rather to an over-keenness of business instinct than any attempt at dishonest practices. We are assured, for example, that "a good many people know when they have got a good thing on. This is the best 3d. worth or 4d. worth they have ever put their fingers on in their life and they are going to make all they can out of it" (*Frith, Q. 8,703*). It is, however, necessary to emphasise the fact that the insurance provided under the Act is an insurance against incapacity for work owing to sickness, or bodily or mental disablement, and that sickness benefit is not properly payable during periods of convalescence, which under the Act may be made the subject of an additional benefit in the event of a surplus being realised, and to lay stress on the further fact that sickness benefit is not payable merely on the ground that a period of rest would be "good for" the insured person. That sickness benefit is not intended to meet loss of wages through unemployment due to any cause other than sickness, and only then while that sickness continues, is self-evident.

58. As might be expected, however, the claims tend to excess in those cases in which the inexperience of the administrator, or his over-experience in bad methods, provide an inefficient machine, and, as is natural, a laxity on the part of the society leads inevitably to an excess of claims on the part of the insured member. It is impossible to lay too much stress on the fact that over-claiming on the part of even a very small proportion of the insured population may lead to grave deficiency. But it would be idle and extravagant to base upon such an experience as we have before us a general charge either of malingering or of greed, against the insured population generally.

The Existence of Illness previously unsuspected.

59. Even when complaining of the evils suggested in the preceding paragraph it is contended by many society officials that where claims are in excess of what was expected, the excess is primarily due to the existence, if not throughout the entire insured population, at any rate throughout certain classes and in certain grades, of "much more sickness than we have been conscious of" (*Macarthur, Q. 11,398*). In other cases secretaries of societies have expressed themselves as astounded by their realisation for the first time, on the coming into operation of the Act, of the kind of work done by women in certain occupations, and of the amount of sickness entailed by the conditions under which they live (*Daniels, Q. 13,832-6*). More especially with regard to women this view of the question is emphasised by those witnesses who have appeared before us, and have given evidence from a standpoint other than that of those engaged in the administration of the Act. By these witnesses it is contended that there is in fact more sickness than was expected when the Act came into operation (*M. Phillips, Q. 38,817*), and that the excessive sickness among married women is a common

experience due to illnesses connected with and consequent upon childbirth (*Bondfield*, Q. 40,421). The evidence of medical practitioners is overwhelmingly in support of the view that the effect of the Act has been to disclose, especially among industrial women, an enormous amount of unsuspected sickness and disease, and to afford treatment to many who have hitherto been without medical attendance during sickness (*Hodgson*, Q. 25,701; *Cox*, Q. 30,436; *Belding*, Q. 34,325). It may be permissible to quote the words of one witness practising in an area which would not ordinarily be regarded as unhealthy, "I thought I knew how much illness there was in my neighbourhood, but I had no conception of the amount of real illness that existed until I was brought in contact with it through the Act. . . . I had no idea that it existed, and was going unrelieved, and that people were dragging along with such illness" (*Broster*, Q. 37,520-2).

Possibility of an ultimate Reduction in Sickness Claims.

60. Some hopes appear to be entertained that some of this disease, though of a nature to demand immediate treatment and to justify the statement that those who are suffering from it are incapable of work, will yield to treatment, and that within a time which may be foreseen but cannot be defined, there will result a healthier population and a diminished demand on the funds of approved societies. Already there are indications that as a result of the rest obtained under the Act a better condition of health has in certain cases been attained than has been experienced for many years. "They have been in bed for a month, and they say now that they have never been so well in their lives" (*Burgess*, Q. 20,146; *Shaw*, Q. 6515). It is represented that in some of the cases treated the ravages of the past will never be repaired, although under the conditions now in force a further worsening may be prevented (*Burgess*, Q. 20,153-4), but that in other cases there will be a real recoupment, and that in time the general standard of health will tend to improve (*Burgess*, Q. 20,156; *Layton*, Q. 29,487). These anticipations are necessarily speculative, but they appear to be in accordance both with *a priori* ideas on the subject, and also with the facts disclosed imperfectly at our inquiry. Clearly, if young persons from the age of 16 go to the doctor, and obtain treatment when suffering from complaints which, if neglected, will impair their efficiency through life, the beneficial consequences which will result are almost incalculable; and even while admitting that some of those who have entered insurance at more advanced ages cannot hope to have restored to them that health which medical science might have preserved, further inroads may, at least, be prevented, and in the case of those suffering from less serious illnesses, a return to health may be anticipated. It may, however, be observed that, while this may ultimately result in a reduction of the sickness rate experienced, the tendency indicated could not for some time manifest itself in any improvement of the sickness experience of societies.

Danger of Development of Valetudinarian Spirit.

61. The chief danger in these circumstances appears to lie, not so much in any undue eagerness on the part of the insured to obtain benefits to which they are not entitled, as in a valetudinarian habit of mind which may be induced from over-attention to health and to disease. Medical practitioners who have appeared in evidence before us have repeatedly referred to the fact that in a large number of cases persons suffering from only trivial ailments have attended for treatment. They are said to come when "it would be much better if they did not" (*Devis*, Q. 39,837); "if they have a little scratch," they call at the doctor's surgery knowing "that they will meet their friends there" (*Layton*, Q. 29,238). One witness, in describing the trivial nature of much of the illness which he was called upon to attend, estimated that of the total number of insured men on his list 13 per cent. and of the insured women 10 per cent. have attended for trivial illnesses. (*Devis*, Q. 39,841). The tendency to unnecessary resort to the doctor's surgery for unimportant illness leads in some cases to requests to be put on the funds for minor illnesses, against which a considerable number of doctors have stated that they have to contend (*Belding*, Q. 34,181-9; *Richmond*, Q. 38,376). It is essential that the insured population should come to recognise clearly that the scheme of insurance set up under the Act is mutual, and that the fraud or over laxity of one will result in the impoverishment of all. The societies, as already stated, are self-governing, and

they can only remain successful on that basis if the interest of every member in their success can be roused and maintained, and if the high standard of honesty and mutual dependence, which was the great title to honour of the old friendly societies, can be continued in the work of the societies approved under the Act.

The Loss of the old Friendly Society Spirit.

62. It is said that in the past it was the pride of some friendly society members that they had never become a charge upon the funds of their society (*Webb, Q. 28,059*); it is even stated that many thousands of members never drew benefit out of the funds, and did not join the society with the intention of receiving benefit (*Johnson, Q. 26,277*). It is suggested that the old friendly society spirit was disappearing before the passing of the Act, and has now gone past recall, that as the various organisations grew, the intimate personal co-operation on which they were based tended to become weaker (*Hyner, Q. 29,954-6*), and that, under present conditions at least, the sentiment on which friendly societies were built is a dying spirit (*Hyner, Q. 19,961*). There has been a tendency for what was originally the expression of a bond of good fellowship, and a desire to help one another, to pass to some extent into a mere matter of business (*Johnson, Q. 26,278*). The active members have been fewer in number; the social side has not been so prominent as formerly (*W. P. Wright, Q. 31,642-8*). The evanescence of this spirit has brought with it a readiness to receive benefit whenever a case can be made out for being placed on the funds, and the natural desire and instinct of the medical profession, if it is to achieve success, is to deal with disease at the earliest possible moment at which it becomes apparent, and to secure for patients the opportunity of abstaining from work. But men and women being what they are, the risk will always be in the direction of leniency towards, rather than of sternness with, oneself. The fact that the scheme is now national in no way renders it possible to discard that spirit on which the success of friendly societies in the past was based, and if the success of the Act through approved societies is to be ensured, it will be necessary to revivify in the agencies now working the Act some part of that feeling of pride and independence which in the past has been the distinguishing mark of the relation existing between the friendly society and its members. It has been repeatedly represented to us that the intervention of the State has induced insured persons to look upon the fund as a bottomless purse. Such a view would be the ruin of any institution in which it was prevalent, and the privileges and advantages given by the Act cannot be secured unless those on whom they are conferred will do their fair share in preserving the fund upon which all depend. It is not intended to suggest by this that insured persons who are incapacitated should refrain from taking advantage of the benefits for which they have paid, but that in their dealings with the fund and with themselves they should recognise the mutual relations into which they have entered, and should learn to take a pride in just administration and the success of their society.

**THE QUESTION OF EXCESSIVE SICKNESS CLAIMS VIEWED IN
RELATION TO THE ADMINISTRATION BY SOCIETIES.**

THE EXPERIENCE OF SOCIETIES.

63. In turning to the actual results experienced by societies, we must repeat that no precise conclusion can with safety be drawn from such incomplete figures as have been placed before us. "These figures in many cases relate only to the earlier periods of the operation of the Act, when the general conditions were in many respects, and in many instances, abnormal, and, as already indicated, it is necessary, before any safe deduction, can be drawn from the experience of any society, to take into consideration many factors, such as the age distribution of the membership and the status of the women members with regard to marriage. Bearing in mind these limitations, it may, nevertheless, be of some value to indicate briefly what has been the experience of various societies of different types.

General Average Figures.

64. In the first place, however, in order that the statements made by witnesses as to the expenditure of their societies on sickness benefit may be fully appreciated, it will be convenient here to state the general average figures, obtained from the actuarial

basis of the Act, on the assumption of a normal distribution of membership as to age and, in the case of women, as to marriage condition. It will be understood that the figures are not necessarily, or even probably, applicable to any particular society. They do no more than represent the expected average of claims upon all societies, calculated on a basis in which due regard has been paid to the differences of occupational risks found among the various constituent parts of the whole insured population. Up to October 1913, the average in the case of men was

For sickness benefit	-	-	-	-	-	2.12d.
For maternity benefit	-	-	-	-	-	.62d.
In all	-	-	-	-	-	<u>2.74d.</u>

From October 1913, the benefits were increased by the Amending Act, in the case of persons who had entered into insurance at ages over 50, and the average was thenceforward slightly increased.

In the case of spinsters and widows, the averages for the first nine months were respectively,

For sickness	-	-	-	-	-	1.50d.
For maternity	-	-	-	-	-	.04d.
In all	-	-	-	-	-	<u>1.54d.</u>

For married women in the period the same averages were :—

Sickness	-	-	-	-	-	2.94d.
Maternity	-	-	-	-	-	.12d.
In all	-	-	-	-	-	<u>3.06d.</u>

For all women taken together, and on the assumption that the married women were one in seven of the total, the figures in respect of the first nine months were,

For sickness benefit	-	-	-	-	-	1.71d.
For maternity benefit	-	-	-	-	-	.05d.
In all	-	-	-	-	-	<u>1.76d.</u>

It may be observed that the difference between the respective rates for single women and for married women is of special importance, in view of the variations to be found between different societies as to the extent to which married women enter into the total of their membership of women. Thus, in the case of a society where all the women are unmarried (and there are societies which approximate to this condition) the expectation of claims for sickness and maternity benefit would be little over $1\frac{1}{2}d.$ a week. On the other hand, in a society where as many as one-third of the women were married the expected claims in the same period would represent a sum exceeding $2d.$ a week.

Old Friendly Societies.

65. Taking, in the first place, certain of the old friendly societies, we find that in the Ancient Order of Foresters, the payments in the case of men and women combined, estimated on about half the membership, amount to about $2\frac{3}{4}d.$ per member per week (*Hyner, Q. 19,340*). In the Manchester Unity, in the case of men, the weekly payments work out at $1.96d.$ per member, and in the case of women, at $1.95d.$ (*W. P. Wright, Q. 31,598*). In the case of the Duke of Bedford Lodge (men) of this Order, the experience for maternity and sickness benefit combined amounted to about $2\frac{1}{4}d.$ (*Pearce, Q. 6927*); and taking other lodges which have been brought to our notice we find that the Thomas Collins Lodge (men), in the Manchester district, has an experience of under $2\frac{3}{4}d.$ per week per member (*Jones, Q. 41,125*), and in the Mabys Lodge (women), consisting almost exclusively of domestic servants, the experience is slightly over $1d.$ per week (*Lingstrom, Q. 4156-7*). In the Order of Druids, the average weekly cost of sickness benefit

per member per week in respect of branches comprising two-thirds of the membership of the society in England is given as 3·06*d.* in the case of men, and 2·97*d.* in the case of women (*Shaw*, *Q.* 6496). More detailed figures for various branches were given in this society, and showed a variation in the case of men from 3·64*d.* per member per week to 2·33*d.* per member per week, and in the case of women from 3·86*d.* per member per week to ·65*d.* per member per week (*Shaw*, *Q.* 6685). In most cases, however, the number of women in each branch was too small to enable any value to be attached to the figures. In the National Independent Order of Oddfellows the average weekly payment in the case of men was 2·591*d.*, and in the case of women 2·495*d.* (*Johnson*, *Q.* 26,229, 26,234). Taking the whole of the Order of the Sons of Temperance, the experience for the first six months of the working of the Act averages out in the case of men at 2·11*d.*, and in the case of women at 1·95*d.* per member per week (*Huntley*, *Q.* 24,956-8). Within the Order, however, the experience for the various districts shows wide fluctuations. Thus, the experience, expressed in pence per week, in the case of men, is in Barnsley 4·25, in Bishop Auckland 3·91, in Derby and the Midlands 3·87, in Lancaster 3·32, and on the other hand, in Birmingham and West Hartlepool it is 1·65 (*Huntley*, *Q.* 24,982-8). In the Rational Association Friendly Society the average cost per member during the first quarter was 2*s.* 7½*d.* for men, or 2·43*d.* per member per week, and in the case of women 2*s.* 1½*d.*, or 1·95*d.* per member per week (*J. Duncan*, *Q.* 3730). In the case of this society figures were submitted showing the variation in the experience of certain trade groups. While, owing to the comparatively small number of lives included in some of the groups, no inference can with any confidence be drawn from these figures, they possess some interest in furnishing an indication of the varying experiences of a given society in different trades. The figures represent the cost per insured person in the different groups calculated on a half-yearly basis, and among the male groups the following may be taken: copper-workers, 4*s.* 7*d.*; engineering and building, 4*s.* 8*d.*; dock labourers, 4*s.* 8½*d.*; general labourers, 4*s.* 8½*d.*; agricultural labourers in certain areas, 4*s.* 9½*d.*; bootmaking, 5*s.* 1*d.*; hatters and cotton operatives, 5*s.* 4*d.*; fishermen and farm labourers (combined occupations) 5*s.* 6½*d.*; carmen, 5*s.* 7*d.* Among women "domestics and mixed occupations" work out at 4*s.* 7*d.*, but this represents variations in three districts of 2*s.* 9*d.*, 3*s.* 6½*d.*, and 8*s.* 2*d.*; the figure for domestic and laundry workers is 8*s.*, and for a group consisting of gloveresses, employees in the hosiery trade, and tobacco workers, the half-yearly cost is given as 4*s.* 10½*d.* (*J. Duncan*, *Q.* 3741-58). Among other friendly societies mention may be made of the Royal Oak Benefit Society, to which reference has been made in connection with the adoption of a compulsory scheme under Section 72, where the experience for sickness benefit in men is 1·7*d.* per week, and in women 1·86*d.* (*Dyer*, *Q.* 23,594), and the Catholic Friendly Societies Association, where for the first nine months the cost of men's sickness benefit amounted to 2·08*d.* per member per week, and of women's sickness benefit, 2·88*d.* (*Rigby*, *Q.* 26,693).

Women's Friendly Societies.

65. Taking next a group of women's friendly societies we find that the experience of the Order of United Sisters, Suffolk Unity, amounts for the first nine months to a weekly expenditure for sickness and maternity benefit combined of 1·7*d.* per member (*Pearce*, *Q.* 6108-10), and in the case of the York Female Friendly Society the amount spent in sickness and maternity benefit per week is 2·295*d.* per member (*Gray*, *Q.* 5406). In another woman's society, the Domestic Servants Insurance Society, the weekly rate of payment for sickness benefit falls as low as ·981*d.* per member (*Gordon*, *Q.* 2349).

Rural Federations.

66. Reference may next be conveniently made to the experience of certain federations or groups of societies operating in rural areas. In the Lancashire Federation of Friendly Societies, the cost of sickness benefit per member per week was in the first quarter in which benefits were payable, 1·641*d.*, and in the second quarter 1·784*d.* (*Blundell*, *Q.* 1489). In the Bedfordshire United Society the experience for the whole membership, men and women, for sickness and maternity benefit amounts to 2·94*d.* per member per week (*Hartop*, *Q.* 22,254). The detailed experience of the various societies comprised in the Bedfordshire United Insurance Society is printed as an appendix to the evidence given before the Committee, and even allowing for the heavy

drain made on the funds of a small society by a single serious case of illness, the difference in the rates experienced by the various societies is instructive as exemplifying the variations due to administrative and other causes, which may be found in societies apparently similarly situated. In the case of the National Insurance Association for the Eastern Counties, the total experience for the first half-year in respect of men works out at 3,900 weeks benefit as against 4,600 expected on the financial basis of the Act (*Dixon, Q. 39,553*).

Trade Unions.

68. Turning to trades unions and societies more intimately connected with particular industries, we find that in the Amalgamated Association of Card and Blowing Room Operatives, a society with a predominating membership of women, the cost for the first quarter in respect of women members only, was 3'18*d.* per member per week, in the second quarter 2'88*d.*, and in a period covering the greater part of the third quarter 2'51*d.* (*Sanderson, Q. 217-9*). In the Amalgamated Weavers Association, for the period covered by the first six months' payment of benefits, the cost of sickness and maternity benefit combined was, in the case of men, 2'53*d.* per member per week, and in the case of women, 3'47*d.* per member per week (*Thomas, Q. 4285*). This society also shows instructive variations between the various districts, for whereas the average amount paid to women members throughout the whole society for the six months amounted to 7*s.* 6½*d.*, the expenditure in the districts ranged from 12*s.* 11½*d.* at Barnoldswick down to 4*s.* 3*d.* at Todmorden (*Thomas, Q. 4296-4300*). In another society, the Bristol Cotton Works Health Insurance Society, in which the women membership greatly predominated, and which has since transferred its engagements to another society, the payment to men in respect of sickness and maternity benefit amounted to 1½*d.* per member per week, while the total payments to women were at the rate of 4½*d.* per member per week. Taking the married women alone in this society, the total weekly payment for sickness and maternity benefit reached 7'33*d.* per member, and for sickness benefit alone 5'46*d.* The sickness benefit for the whole of the women's section per member per week averaged 3'37*d.* (*Clayton, Q. 3042-3*). In the Independent National Union of Boot and Shoe Women Workers the figures given as to the society's experience indicate a rate during the first quarter of approximately 2½*d.*; in the second quarter approximately 5*d.*, and in the third quarter approximately 5½*d.* per member per week (*Willson, Q. 5804-7*). In the Health Insurance Section of the National Amalgamated Society of Male and Female Pottery Workers the figures given denote a weekly rate in the case of men of 2'6*d.* and in the case of women 4'1*d.* per member for sickness benefit (*Hollins, Q. 2081*).

69. The figures relating to the experience of the General Federation of Trade Unions for National Insurance and Friendly Society purposes are again of interest as an indication of the varying rate of claim in different trades. In this organisation the dockers received in respect of sickness benefit during the first quarter 10'8*d.* per member, and in the second quarter 2*s.* 2'8*d.*; the cigar makers cost 3*s.* 6'2*d.* in the first quarter, and 3*s.* 8'7*d.* in the second; while the women in the same trade cost only 1*s.* 3'8*d.* and 2*s.* 0'4*d.* in these two quarters. In the case of the hosiery workers in Ilkeston the women again received much less sickness benefit than the men, the figures in the case of men for the two quarters being 3*s.* 0'8*d.* and 4*s.* 11*d.* and in the case of women 1*s.* 0'8*d.* and 1*s.* 11'8*d.* The Bristol Labour Amalgamation, consisting chiefly of river-side workers, cost for men 2*s.* 3*d.* and 2*s.* 11'5*d.* in the first two quarters, while the cost for women was 5*s.* 6'5*d.* and 7*s.* 9*d.* In contrast with these may be mentioned the musicians, costing for men in the first two quarters 10'2*d.* and 1*s.* 3'8*d.*, and for women 2*s.* 3*d.* and 1*s.* 11'4*d.*, and the tailors costing 1*s.* 6'7*d.* and 1*s.* 4'7*d.* in the two quarters for men, and 1*s.* 2'6*d.* and 2*s.* 4'7*d.* for women (*Appleton, Q. 11,615-6*).

70. The figures for the National Federation of Women Workers also show considerable variations in its different branches. For the first three quarters in Great Britain, the cost for sickness benefit per member per week amounted to 1½½*d.*, 2½*d.*, 2½½*d.*. The corresponding figures in England for the local branches of this organisation are 2½*d.*, 3½*d.*, and 3*d.*, and for the branch worked from headquarters 1½*d.*, 1½*d.*, and 1½*d.*. Among the higher experiences in this society may be mentioned the Cradley Heath branch where the members are engaged in chain making and where the figures for the three quarters, on the basis given above, are 2½*d.*, 5½*d.*, and 5*d.*; the Acton branch

consisting of laundresses, with a weekly experience per member during the three quarters of $3d.$, $5\frac{1}{2}d.$ and $5\frac{1}{2}d.$, and the Halstead branch, consisting of silk weavers, with an experience for the three quarters of $3\frac{1}{4}d.$, $4\frac{1}{2}d.$, $2\frac{3}{4}d.$. At the other extreme of this organisation may be mentioned the Edmonton branch with an experience in the three quarters of $1\frac{1}{4}d.$, $1\frac{1}{2}d.$, and $1\frac{3}{4}d.$ (*Macarthur*, *Q.* 11,366-71).

71. Taking other trade unions, we find in the United Society of Boiler Makers and Iron and Steel Shipbuilders an experience during the first three quarters representing a rate per member per week of $2\cdot94d.$ for sickness benefit (*Barker*, *Q.* 8340); in the Durham Miners Association, for a period covering approximately the first 15 months of the operation of the Act, the sickness experience was $5\cdot81d.$ per member per week (*Whiteley*, *Q.* 35,145); in the Amalgamated Society of Tramway and Vehicle Workers the experience, until more stringent measures were recently taken, was over $4\frac{1}{2}d.$ per member per week (*Jackson*, *Q.* 36,494); in the National Amalgamated Union of Labour the figures per member per week for the four quarters of 1913 were $2\cdot17d.$, $2\cdot67d.$, $2\cdot46d.$, and $2\cdot37d.$ (*Bell*, *Q.* 40,729). In the Amalgamated Union of Co-operative Employees the payments to men, for sickness benefit and maternity benefit combined, for the first six quarters per member per week are: $1\cdot82d.$, $1\cdot70d.$, $1\cdot21d.$, $2\cdot29d.$, $1\cdot79d.$, $1\cdot93d.$ and to women $1\cdot61d.$, $1\cdot95d.$, $1\cdot55d.$, $1\cdot95d.$, $1\cdot55d.$, $1\cdot51d.$ (*Davies*, *Q.* 35,985-8).

Societies connected with Industrial Insurance Companies.

72. Taking next certain illustrations of the experience of approved societies connected with collecting societies or industrial insurance companies we find that in the Liverpool Victoria Approved Society the cost of sickness and maternity benefits in the case of men amounts to $2\cdot317d.$ per member per week, and in the case of women to $2\cdot54d.$ per member per week (*Peters*, *Q.* 1690). In the Prudential Societies the experience varies considerably; in the men's general society the payments in respect of sickness benefit amount to $1\frac{3}{4}d.$ per member per week, but in the miners' society they reach $3\frac{1}{2}d.$ (*Barrand*, *Q.* 5179-60). In the general women's society the payment per member per week is $3d.$, but in the Domestic Servants Society the cost falls to $2d.$, and in the Laundresses society it rises to $4d.$ (*Barrand*, *Q.* 5184-5251-2). In the National Health Section of the Royal Liver Friendly Society, the payment for the first three quarters in respect of men in all four countries were given as 25,000*l.*, 28,200*l.*, and 24,500*l.*, against a normal actuarial expectation of 28,000*l.*, 28,600*l.*, and 29,600*l.*, thus showing a surplus on each quarter if the Society is normally constituted; in respect of women the figures for the same period were 14,000*l.*, 20,800*l.*, 18,000*l.*, against expectations of 11,400*l.*, 11,400*l.*, and 10,000*l.* (*Lamacraft*, *Q.* 9853).

Other Societies.

73. We have already referred in another connection to the experience of the Tunbridge Wells and South Eastern Counties Equitable Friendly Society, which showed a weekly expenditure per member of $1\cdot45d.$ for men and $1\cdot61d.$ for women (*Saunders*, *Q.* 9550). In the Ideal Benefit Society, which also operates on a system differing from that of the ordinary friendly society, the weekly experience for the first three quarters in respect of sickness and maternity benefit was for men slightly under $2d.$ a week and for women $2\frac{1}{8}d.$ per week (*Daniels*, *Q.* 13,818). In the Insurance Section of the Co-operative Wholesale Society the cost for sickness benefit per member per week is in the case of men $1\cdot56d.$ and in the case of women $1\cdot98d.$ (*Smith*, *Q.* 13,390).

CAUSES OF VARIATION IN EXPERIENCE.

Obscurity of Causes for Local Variations.

74. Apart from the fact that these results are in many cases fragmentary, and relate to periods of different duration, the varying experiences of societies indicated above are of such a nature that no ready generalisation suggests itself in explanation of the favourable or unfavourable experience. For the purposes of any generalisation it is, however, obvious that a line must be drawn between men's societies and women's societies, and that, in the case of societies which admit both sexes to membership, their experience with regard to men and women must be considered separately. Clearly the variations between societies are in no way dependent on the type of society

considered, and none of the great classes into which approved societies are usually divided presents either a universally good or a universally bad experience. Further within the same society there may be extreme variations in the sickness rate as in the case of the Sons of Temperance, where, as we have seen, the weekly rate of payment to men varies from 4.25*d.* in Barnsley to 1.65*d.* in West Hartlepool (*Huntley, Q. 24,982-5*). Moreover, violent variations in the experience may occur in districts which are adjacent, and between which there is no obvious difference in economic or industrial conditions. Such an example may be found in the different rate experienced by the Amalgamated Weavers' Association in Barnoldswick and Todmorden, where the explanation given was that in the one case the secretary has given more latitude to members than should have been allowed, whereas in the other case the secretary had had past experience as an official of a friendly society (*Thomas, Q. 4297-9*). Where there is nothing in the local conditions to account for these variations, they must be attributed to defects in one or other of the agencies co-operating in working the Act; that is, they must be due to the action of the doctors, the insured persons themselves, or the officials or agents who are acting on behalf of the Approved Society.

Influence of Doctors in producing Local Variations.

75. From this point of view the possible influence of the action of the doctors need not be discussed at length at this stage, since any consequences which may arise from defects in the medical part of the machinery of the Act are likely to manifest themselves generally in the results obtained throughout the country, and, while these defects may contribute to a generally heightened experience, they cannot so cogently be adduced in explanation of varying rates of expenditure in different districts or lodges. The possibility of this being a contributory factor must not, however, be overlooked entirely, since there are cases where a large proportion of the members of the society, lodge or district are in fact receiving medical attendance from one doctor. In such circumstances the idiosyncrasies of the medical practitioner may weight the experience of the lodge when compared with the experience elsewhere. In one case brought before us, a society attributed a large part of its heavy experience to the undue leniency of the practitioner on whose list most of the members were (*Clayton, Q. 3164*), and in rural areas where most of the members of a lodge may be on one doctor's list, the comparative experience of two lodges may be affected by the fact that some doctors have a more generous idea than others as to what sickness benefit means (*Devis, Q. 39,980*) and also by the fact that, while some doctors have had previous knowledge of friendly society work, others have only acquired experience of it since the Act came into operation.

Influence of the Insured Persons in producing Local Variations.

76. A more potent influence in producing local variations within the same society is probably to be found in the insured persons themselves. The work of sickness insurance in the past has grown up on a voluntary basis, and there has been nothing to coordinate the principles which have developed in different trades or in different parts of the country. It is, therefore, natural that there has been no uniform convention as to the degree of incapacity necessary to justify a claim for sickness benefit. As an example of this, the general attitude of the mining population may be cited. Although a certain amount of choice was in time vested in the workmen, the doctor was originally employed by the mine-owner to look after the health of his employees and remunerated by a deduction from wages made under the Truck Act (*Charles, Q. 20,751*), and the doctors engaged in certification looked at the matter largely from the point of view of the employer, in whose interest it was that no one should return until completely fit for the day's work (*Q. 20,759*). Further, owing to the fact that in many cases in the mining industry the wages earned depend not merely on the workman's individual exertions but also on the exertions of those with whom he is working, the miner himself did not desire to return to work, nor was he welcomed by his fellows until he was in a position to contribute his full share of the common output (*Cann, Q. 35,251*). Hence, we have evidence that in the Durham coalfields the conception of what constitutes incapacity for work differs from that adopted elsewhere, and that certificates have been, and still are, granted where the insured person may be capable of hard work, but is not capable of working at the particular "cavil" on which he had been engaged (*Charles, Q. 20,411-20,414; Whiteley, Q. 35,269; Cann, Q. 35,270*).

A system has been evolved in which a certificate for incapacity is granted in any case where a man is not merely unable to perform his ordinary work, but even where he is unable to produce his average output (*Charles, Q. 20,726; Whiteley, Q. 35,304; Cann, Q. 35,227*).

77. The influence of this view may be traced in the uniformly high rate experienced wherever miners are concerned, a rate which is much in excess of what should be found even on the assumption that mining is an abnormally unhealthy occupation. Thus, the two highest rates in the Sons of Temperance, already quoted, occur in the Barnsley and Bishop Auckland districts, where the membership consists almost exclusively of miners; and it is said that the rate in those portions of the Newcastle district which comprise a mining membership is as high as in the other districts mentioned, although the presence of a town population in the same district obscures the fact and reduces the rate for the whole area to a lower level (*Huntley, Q. 24,990*). In the case of the Sheffield Equalised Independent Druids, again, it has been found that the miners, who form 30 per cent. of the membership, have been throughout a source of weakness to the Society on the private side (*I. Wright, Q. 21,580*), and that, although the rates of contributions in respect of miners have been raised more than once, this has been ineffective to prevent an undue drain being caused by this section of the membership. It is true that it is difficult to estimate what allowance should be made for the miner's abnormal risk of accident, for which sickness benefit has always been paid on the private side.

Administrative causes for different experiences in the same Society, or in different Societies.

78. In considering the extent to which administrative causes may operate in producing inequality of experience between different branches of a society, it is scarcely possible to avoid dealing with the whole question of the manner in which the system of administration adopted by societies may contribute to improper claims. Efficient central government and efficient local administration are alike essential to the successful working of the Act, and weakness in either, or disharmony in their relations, will lead to failure which, according to the circumstances, may manifest itself throughout the whole society, or throughout particular branches only. In the past, as is natural, it has been found that a loose view among the members of the right to benefit has been concomitant with the worse types of administration. On the other hand, it is not possible to specify any type of administration as being the most efficient. As the character and distribution of the membership of societies is variable, so also must the methods by which it is sought to achieve efficiency be variable. It would be unnecessary, and, indeed, impossible, to give any detailed account of even a very small proportion of the types of administration found in societies, but it may add to an understanding of some of the complexities involved in the problem before us if some characteristic types are briefly indicated.

Example of Representative Types of Government of Approved Societies.

79. Taking first the Manchester Unity as an example of the great affiliated orders, the lodge is the self-governing unit in the society (*W. P. Wright, Q. 31,436*). The lodge is attached to a district, the district organisation having been formed primarily for the purpose of spreading funeral benefit over a larger number of persons than would be comprised in a lodge. The district is governed by periodical district meetings consisting of representatives of the lodges comprising the district, elected on a proportional basis according to the number of members in each lodge. The districts in turn elect deputies to the annual moveable conference, and this body elects the grand master, the deputy grand master and the board of directors. While the decision of the conference is binding on all lodges, the lodge is nevertheless self-governing in nearly every respect and responsible to no higher authority for its actions (*W. P. Wright, Q. 31,521; Jones, Q. 41,112*). In all ordinary matters it is a sovereign body, subject in certain cases to persuasion (*Jones, Q. 41,400; Lingstrom, Q. 41,683*); but ordinarily unfettered in its discretion, and so long as it avoids mismanagement, free from any danger of interference (*W. P. Wright, Q. 31,475*). In such a system of administration, the lodge is the unit for valuation purposes, and, subject to the provisions of Section 39 of the Act, is required to bear its own deficiencies or is entitled to enjoy its own surpluses.

80. The Order of Druids Friendly Society may be taken as an example of a somewhat different system. Here also there are some self-governing lodges. The bulk of the membership is, however, in "centralised districts" consisting of unregistered

lodges. The contributions of all the members in the district are pooled and the lodges act as agencies to collect the contributions of the members and to distribute the benefits. The effect is thus to equalise the risk over a large area (*Johnson, Q. 6595-97*) but to leave the control of expenditure in the hands of local agencies which draw their funds from a common pool.

81. In the Order of the Sons of Temperance the branches are grouped in areas, and formed into consolidated districts, the administration of each of which is vested in the district management committee. The returns from the branches comprised in each district are scrutinised weekly by the district secretary and committee, as are also the sick certificates and payments, and the branches are employed as receiving and distributing agencies. In view of the responsibility of the whole order in any case of deficiency shown on valuation, the central body periodically reviews the expenditure (*Huntley, Q. 24,780-2, 24,793, 24,799*).

82. In the Rational Association Friendly Society we find much more centralisation; the branch secretaries are nominated by the branch committee, and appointed by the board of management (*J. Duncan, Q. 3859*) and the benefits are paid out of a central fund administered by the local branches, which have no funds of their own but are simply agents for the central fund; the effect being that while the local lodges are responsible for the supervision of the sick members, they are not responsible for finding the money which goes to the sick members (*J. Duncan, Q. 4016-9*).

83. Taking an example from the smaller friendly societies the Royal Oak Benefit Society, while retaining centralised funds, have recently introduced district administration. Applications for benefit are first considered by the District Committee, but before payment, are forwarded to the central office where they are checked, and remittances are sent to the district secretary each week, after authorisation for payment of the claims (*Dyer, Q. 22,560-6*).

84. An example of an entirely different scheme of government is furnished by such a society as the Lancashire Federation of Friendly Societies, comprising 61 branches, many of which were operating as Friendly Societies, registered or unregistered before the passing of the Act (*Blundell, Q. 1394-6*). The governing body of the whole is the Executive Council elected by the Council of Wardens, who again are elected by meetings of the various branches (*Blundell, Q. 1493-4*). Somewhat similar in origin is the Bedfordshire United Insurance Society, where, however, the constituent parts are not branches in the technical sense, but carry on the work locally (*Hartop, Q. 22,239-42*), without any active supervision; the duty of the Head Office being confined to advising on technical points and keeping the books, the funds being centralised (*Hartop, Q. 22,270*). In such cases, there is necessarily a varying tradition in the different branches based on their previous independent existence, and the management is virtually left to the various units subject to advice and assistance from the centre (*Hartop, Q. 22,306-8*).

85. The Hearts of Oak Benefit Society has an insured membership approaching half a million men and women, and has for years carried on the work of sickness insurance without any local machinery by means of the post. The Committee regret that, as this Society were not in a position to supply such definite information as would enable them to give evidence, the Committee are precluded from discussing in detail the results attained since the Act passed in adapting the previous machinery of the Society to the altered circumstances.

86. A few examples taken from among the Trade Unions will sufficiently indicate the equally great variety of types of administration to be found in this class of Approved Society. In the case of the Amalgamated Association of Card and Blowing Room Operatives a process of centralisation has been adopted (*Sanderson, Q. 287*), and the local committees contemplated in the constitution of the Society have been suspended (*Q. 291*). The local agent forwards claims to the head office and a decision is arrived at technically by the managing committee, but in actual practice by the secretary (*Q. 77; 106-7*). The administration of this society is based on the view that State Insurance is best administered on purely business lines by paid officials (*Q. 290*).

87. The Amalgamated Weavers' Association, again, comprises 36 agencies (*Thomas, Q. 4136*), each of which is governed by a secretary and a committee elected by the trade union members, whether insured members of the society or not, and primarily for the government of the trade union (*Q. 4142*). The supervision of the sick members in the larger districts is entrusted to sick visitors appointed by the districts, but 19

of the smaller districts are grouped together and supervised by visitors operating from headquarters (Q. 4169-70). The claims for benefit are dealt with directly by the local committee without being forwarded to headquarters at Accrington (Q. 4140).

88. In the United Society of Boiler Makers and Iron and Steel Ship Builders the organisation is based on branches (*Barker, Q. 8308*), the secretaries of which pay claims without reference to headquarters (Q. 8420). At the end of each week returns are submitted to the head office which scrutinises the claims (Q. 8421), advises the branches, and makes such inquiries as may be necessary (Q. 8424).

89. In the Health Insurance Section of the National Amalgamated Society of Male and Female Pottery Workers, the lodges exist merely for the purpose of collecting the contributions and sending them to the central office (*Hollins, Q. 9051*). The claims for sickness benefit may be sent either direct to the head office or through the sick steward (Q. 9169), and the head office on being satisfied of the propriety of the claim, forwards the money to the Sick Steward for personal payment (Q. 9171-5).

90. The constitution of the General Federation of Trade Unions for National Insurance and Friendly Society Purposes has this peculiarity, that it consists not of geographical branches (*Appleton, Q. 11,705*), but of Trade Unions in existence at the time of the passing of the Act (Q. 11,596), many of which again have branches throughout the country. A claim for sickness benefit is presented to the local official, who forwards it to the secretary of the constituent trade union. The union is the authority for settling the validity of a claim, although in doubtful cases it may be submitted to the headquarters of the General Federation (*Appleton, Q. 11,689-91*).

91. The Amalgamated Union of Co-operative Employees is representative of the centralised type of administration. Every claim goes through the head office before it is either admitted or paid. Although there is a set of officials for each branch, the secretary of the branch really acts as an agent, and the branch officials and the branch agent have little to do on the insurance side. At the head office there is an executive council of 18, elected by all the members of the organisation, which meets once a quarter, but in the intervals between the meetings, the officials do all the work at headquarters (*Davies, Q. 36,013-9*).

92. In the National Amalgamated Union of Labour the local branches make an application to the head office from week to week for what they require, based on the amount required for the previous week. The head office does not control the claims and does not see them until after they have been paid (*Bell, Q. 40,753-5*).

93. Taking, lastly, as an example of administration one of the societies promoted in connection with the Industrial Insurance Companies, in the National Amalgamated Approved Society, the claimant for benefit communicates with the local agent, who furnishes a declaring-on note and after inquiring into the case, sends it to the superintendent (*Jefferson, Q. 7265*). Apart from exceptional cases in outlying districts, where the agents may have power to admit the claim, the responsibility for admitting it rests with the superintendent, all special cases being referred by him to the central office.

Possible Abuses in Multiplicity of Types of Government.

94. These examples of types of administration have been briefly indicated in illustration of the great danger that in the multiplicity of systems of government, with varying degrees of licence allowed to local officials, abuses may arise in the administration of the Act leading to the admission of improper claims or the rejection of just ones.

95. We have received evidence of a variation of practice among societies on the following points amongst others:—

(a) Payment of sickness benefit to unmarried women during pregnancy (*Sanderson, Q. 566-9; Tuckfield, Q. 920; Peters, Q. 2145; J. Duncan, Q. 4073-6; Thomas, Q. 4657; Shaw, Q. 7065; Frith, Q. 9037-8; Lamcraft, Q. 10,442; R. Smith, Q. 12,408; Daniels, Q. 13,888; Huntley, Q. 24,861; Johnson, Q. 26,324; Rigby, Q. 26,808; W. P. Wright, Q. 31,880-2; Wilson, Q. 41,062-4*);

(b) The penalty exacted for breach of rules, some fining and some suspending from benefit in these cases (*Sanderson, Q. 525-9, 592-7, 770-4; Shaw, Q. 6861, 7024; Jefferson, Q. 7570; Frith, Q. 8975; Lamcraft, Q. 10,432*);

and it would appear that these variations must affect the experience of societies with regard to excessive claims.

Reflex Action of Activity of Approved Society on Private Side on its Position as an Approved Society.

96. Further, apart from any question of looseness arising from irregularity in administration, it is necessary to notice the suggestions that the administration of the National Insurance Act is liable to be affected by the fact that a considerable number of the organisations engaged in it are either engaged in other work, or are connected with bodies which are so engaged. There is thus a possibility that the action of such a body in administering the Act may be influenced by considerations of the reflex action which its conduct as an approved society may have on its prosperity in its other capacity. Thus, in the case of a trade union, the first liability of an official is to the trade union (*Appleton, Q. 11,647*). Some trade unions, we are told, took up insurance work partly in self-defence, in order to keep their connection with their members intact (*Bell, Q. 10,843*). Such an attitude may result in laxity in the administration of the Act by creating a tendency towards leniency towards those who are members of the organisation on its private side. There is a danger lest the fact that the member is a good trade unionist may consciously or subconsciously influence the consideration of his claim for sickness benefit (*Bell, Q. 40,791*). A similar danger has been stated to exist in the case of societies promoted by industrial insurance companies. Here also competition has urged them in self-defence to undertake the work of insurance under the Act, if they are to avoid other organisations cutting into their private work, and, on the other hand, when they have embarked on this undertaking, any mistakes that may be made will react unfavourably on the private activities of the organisation (*Lamacraft, Q. 10,475-6*), and it has been frequently suggested to us that the agent of industrial insurance societies is urged to an attitude of undue leniency to the insured person with whom it is necessary that he should live on amicable terms. If he is successfully to carry on his ordinary insurance business. Such allegations and suggestions are difficult to test and impossible to refute.

Centralised Funds and Local Administration.

97. In indicating some of the types of administration to be found among approved societies, it was pointed out that in some cases a system of centralised funds co-exists with local administration. Such a system invites laxity in the admission of claimants to sickness benefit, since the officials who admit the claim have no responsibility in finding the money to meet it. The tendency which must always exist locally to admit the claims of one's neighbours is under no check; and extravagance in each area is thus encouraged, since if there is over-spending in any particular locality, the consequence will be shared over the whole society (*I. Wright, Q. 21,661*).

Periodical Proof of Incapacity.

98. With regard to the requirement of periodical medical evidence of incapacity, there has also, in certain cases, been considerable laxity.

99. We have had brought to our notice one case, where in the early days of the operation of the Act no continuing certificate was required, and where, in effect, any one declaring on the funds remained in receipt of benefit until he chose to declare off (*Mander, Q. 21,727-39*), without furnishing in the meantime any evidence of the continuance of his incapacity. In another case fortnightly certificates were for a time forwarded to the head office, who restricted their supervision to ascertaining that the amount of money to be forwarded to the local secretary corresponded with the number of claimants for benefit (*Whiteley, Q. 35,164-85*). In the case of one of the large affiliated orders, the evidence would appear to indicate that in 674 out of 3,000 lodges, certificates are not furnished weekly. (*W. P. Wright, Q. 31,518*).

Sickness Visitation.

100. There is also considerable diversity of practice in approved societies in regard to the arrangements for the visitation of the sick. Some system of visiting has in the past been adopted by all the older friendly societies, and so much importance is attached by certain witnesses (*J. Duncan, Q. 3894; Hymer, Q. 19,481; Fletcher, Q. 21,546; Scarlett, Q. 23,196; Hodgson, Q. 25,907; Flather, Q. 36,989; Crisp, Q. 39,037*) to the results of an efficient system, that in their view it is the only adequate check on improper claims being made on the sick fund. (*Wigglesworth, Q. 17,985*). In most cases in the past the visitors have been members of the society, often acting in rotation, and frequently a small payment has been made to them in respect of their services, which generally included the payment of benefits. Under present conditions, it is agreed that in order that any system of visiting should be efficient, the visits of the steward who pays the benefit must not be the only visits, and that the system of visiting must include surprise visits (*Poulton, Q. 10,697; Bennett, Q. 16,381*). There

is, however, a certain body of opinion that the members of societies are not so ready voluntarily to undertake the duties of sick visitors as formerly, basing their objection on the ground that as the insurance scheme is a national one, it should devolve on the Government to protect what they wrongly consider to be Government funds. (*Appleton, Q. 11714-7*). The organisations which are now engaged in the business of health insurance for the first time have not in the past had any occasion to employ sickness visitors, but some of these have appointed visitors since the Act came into operation, and have extended their system in the light of the experience gained (*Barrand, Q. 4900-4927, Jefferson, Q. 7336-7373*). In many cases, however, it is clear that the arrangements for sickness visiting are incomplete and slow in coming into operation. Thus in some societies it is apparently possible for the insured person to receive a fortnight's sick pay before the claim is checked by a sick visitor (*Peters, Q. 1868*); in other cases the visiting in certain areas is admittedly haphazard (*Gordon, Q. 2368*). Visiting of sick members by their fellow members may lead to reciprocal leniency, and this is one of the underlying causes of a general tendency to replace amateur sick visitors by full-time officers, less exposed to the temptations of friendship. Where the older system of visiting by members is maintained it has been found desirable that the visitors themselves should be subjected to the criticism and scrutiny of the members generally (*Barker, Q. 8437*).

101. A further drawback to sickness visitation by members of the society is that, to a large extent, such visiting can only be carried out during the hours in which the visitors are not engaged in their ordinary occupations, and the influence of this consideration may in certain cases be traced in the substitution for the ordinary sick stewards of a number of whole-time officers (*Hollins, Q. 9177*). In some cases the efficiency of the particular system adopted by the society is further impaired by the limitation that sick visiting is not carried out beyond a radius of three miles from the agency (*Saunders, Q. 9643*). Another defect which has been urged against the ordinary sickness visitor is the comparative uselessness of his reports. He is an unskilled person, and his report takes the form of a statement that the insured person is very bad or better than he was—reports which are of little value owing to their vagueness. To meet this difficulty, one society has adopted the expedient of supplementing the ordinary sick visitors by special visitors who pay the first visit and give a detailed account of the state of the insured person (*Daniels, Q. 13,911*). Another society has adopted a system of special sick visitors, who consist of members of the general committee of the society, to visit in cases where, on examination of the papers connected with the claim, it appears that a special visit is necessary (*Dyer, Q. 23,695-9*). In the case of the affiliated orders the system of sickness visiting adopted is largely a matter for the branch, and it is probable that the standard of efficiency in different branches varies. There are thus cases where women members are visited "by lady sick visitors when convenient," or where "members are visited once a week. The sick visitor pays benefit at the same time (Saturday afternoon and evening)" (*W. P. Wright, Q. 31,701-31,704*). Any system of visiting in which the hour of the coming of the sick visitor can be foretold is nugatory so far as ensuring compliance with the rules of the society is concerned.

102. In contradistinction to the mass of evidence as to the value of sick visitors, it is necessary to note that one representative of an approved society, which made extensive use of a system of medical refereeing, disavowed his belief in the efficiency of any system of sick visitors as an aid to reducing the claim rate (*Lamacraft, Q. 10,050-6*). This, however, is but an isolated opinion, based in part on a misapprehension of the functions of the sickness visitor, and cannot be placed against the view evolved by long experience of the administration of sickness benefit that sick visitation plays a potent part in restricting the volume of claims for sickness benefit. Generally there is reason to believe that in many cases sick visitation tends to be spasmodic, incomplete and restricted to certain hours when it is easy for the sick man to assume the sick manner. There is little doubt that the absence of an efficient system of sick visitation on the part of societies has frequently been a contributory cause in leading to the admission of improper claims.

Alleged Interference by Sickness Visitors.

103. There is, further, reason to believe that in a certain number of cases the sickness visitor exceeds his proper functions and directs his attention to matters which are outside his province, and the result has been to create in the minds of many members of the medical profession a feeling of irritation with regard to the methods of sick visitors. A considerable number of cases, which the Committee had no opportunity

of testing, were adduced by medical practitioners (*Claydon, Q. 22,998*) in support of the view that sickness visitors are "interfering persons who often go beyond their province, and either make a diagnosis themselves, or offer criticisms on the doctor's diagnosis and treatment" (*Marsh, Q. 32,805*). Thus in one case where a woman of 64 suffered from rheumatism, at first in her hands, and later in her feet, the doctor informed us that "the sickness visitor called and suggested that the patient was fit for work as her hands were better. The patient told her that her feet were bad. The sick visitor demanded to see her feet. She saw them and advised the patient to see another doctor as the feet were very swollen and the patient looked very ill with dropsy" (*Devis, Q. 40,045*). Cases of this nature have also been reported to Insurance Committees (*Parrott, Q. 21,414*). There is a considerable volume of evidence that certain members of the medical profession would welcome the assistance of properly trained and discreet sickness visitors (*Cox, Q. 30, 852a; Divine, Q. 33,216*), but a visitor who exceeds his proper functions ceases to be of any real service to the society on behalf of which he is acting, and becomes a source of danger to the smooth working of the whole scheme.

Transfers between Societies.

104. It is necessary to notice the complaints made by some witnesses (*Shaw, Q. 7156; Macarthur, Q. 11,588; Smith, Q. 13,785; Daniels, Q. 14,045; Johnson, Q. 26,607*) of the working of the system of transference of members from one society to another. The Act directs the passing of a transfer value when a member so transfers, except where the society which he is leaving proves that the insured person voluntarily ceased to be a member without the consent of the society, and that that consent was not unreasonably withheld. It is suggested that this right to change, save in exceptional circumstances, makes it difficult to enforce necessary discipline and offers a temptation to those societies which set a higher value on a large membership than on efficient working, though one of the witnesses cited above (*Daniels, Q. 14,864-7*) thought that the evils of competition as affected by this matter had to a great extent disappeared. It may be hoped that an increase in the sense of responsibility among those societies which may feel the temptation described and perhaps some mutual action among societies generally may check such evils as are attendant upon the system.

Unquestioning Acceptance of Doctors' Certificates.

105. Another point on which a lax view on the part of societies has led to a certain amount of leakage has already been touched upon, the attitude namely adopted with regard to the certificates furnished by doctors. There are thus numerous instances of societies paying on vague certificates such as "illness," or certificates which they clearly did not understand such as "puerulent" or "nilgranic" without apparently making any attempt to inform themselves of the nature of the insured person's complaint (*Hollins, Q. 9287; Jones, Q. 41,147-9*). Even the illegibility of the doctor's certificate is sometimes no bar to the payment of benefit, provided the certificate specifies incapacity for work, and the insured person himself appends a declaration that he is so incapable (*Wigglesworth, Q. 18,102*). In cases where local administration is not sufficiently controlled, this feeling of helplessness may lead to the payment of claims supported by certificates which are known to be improperly and even dishonestly given (*Hartop, Q. 22,431-8*).

Lack of Cohesion in Certain Societies.

106. Reference has already been made incidentally to a source of weakness affecting certain of the old friendly societies. It is impossible to examine the working of some of the greater affiliated orders, without being impressed by the lack of cohesion existing throughout the order. The independence of the lodge and its freedom from control is apt to lead to a wide divergence of practice (*W. P. Wright, Q. 31,477*). The liberty to seek and achieve efficiency in one lodge necessarily involves the right to maintain inefficiency in another, and although the district may claim to exercise control over the lodge, the control in effect resolves itself into an interchange of opinion (*Jones, 41,118*.) The multiplication of lodges with a comparatively small membership operating in the same areas, also leads in these societies to a certain amount of waste through the unnecessary reduplication of work. In a not very considerable town one of these orders may have 10 lodges with a corresponding number of secretaries, sick visitors, contribution books and registers to be kept (*Hyner, Q. 19,631-6*.) In these circumstances the unfettered freedom of the lodge leads easily, where so many lodges are insignificant in size, to the perpetuation of inefficient methods and lax systems of administration.

Balance of Advantage of Central and Local Government.

107. This, however, is but one aspect of a problem which everywhere confronts the enquirer in this field of social investigation. Efficient administration of societies can only be obtained by the happy fusion of two apparently contradictory elements. To seek to avoid the dangers of which we have been speaking by strengthening the hands of the central government leads to the opposing dangers implicit in any system of bureaucracy, the decay of local spirit, the carelessness of the individual as regards the prosperity of his society, the dehumanising of the whole machine. The centralised form of government sacrifices the advantages of voluntary work and relies for its success on skilled and trained officials, and in so far as it succeeds, the old spirit which underlay the development of the friendly society movement may be lost, and the member may cease to have any pride in, or affection for, his society. It is on this spirit and on this feeling of pride and affection, together with that intimate knowledge of his fellows that the local worker has, that such societies as the affiliated orders have relied for success, and the great work of past years has very largely been the result of voluntary labour. It is, however, the tragedy of voluntary effort that it finds it difficult to maintain a high standard of mechanical efficiency, and under the more complicated conditions of to-day it feels the strain more than formerly. The problem is how far either of these advantages is achieved without the sacrifice of the virtues inherent in the other—how far the society can be centrally strong, without being locally ignorant and indifferent, how far it can obtain local knowledge and enthusiasm, without becoming chaotic.

THE QUESTION OF EXCESSIVE SICKNESS CLAIMS VIEWED IN RELATION TO THE WORK OF MEDICAL PRACTITIONERS UNDER THE ACT.

PROPORTION OF PERSONS CERTIFIED.

108. The successful working of the administration of the Act postulates, however, something more than efficient government on the part of societies. It is also necessary that the medical profession, by whom insured persons are certified to be incapable of work, should stand in relations of sympathy and understanding with the machinery performing the operations of the Act. The insured person may be taken to pay his first visit to the doctor either already convinced in his own mind that he is so unwell as to be incapable of work, or merely for the purpose of advice and medicine to cure his disease. The medical evidence as to the proportion of certificates issued to the number of persons attended by the doctor varies enormously. Some of the estimates put before us are merely based on the general impression left on the practitioner's mind in reviewing his practice in issuing certificates in the past. In other cases precise figures have been submitted showing the proportion of those receiving sickness benefit to those receiving medical treatment. In a number of cases submitted by one of the medical witnesses it was found that, in a group of patients attended by medical women, the proportion of those receiving sickness benefit to those under treatment varied from 2 per cent. in a high class residential district (where the insured persons on the practitioner's list consisted largely of high school teachers, journalists, and superior servants), to 32·8 per cent. in an industrial area; among a group of medical men the figures in most cases ranged from 25 per cent. to 35 per cent. in some cases, however, reaching such abnormally high percentages as 54·3, and 53 for men and 66 for women (*Claydon, Q. 23,013*). In this latter case the explanation suggested was that the medical practitioner was a Poor Law Medical Officer who probably had on his list a large proportion of poorly paid patients, more than ordinarily liable to be incapacitated by sickness (*Claydon, Q. 23,025*). Detailed figures were also furnished with regard to the experience of a considerable group of insured persons in Hull, and it was found that, of the men actually being attended, certificates were granted to 1 in 3·04, and among women to 1 in 3·331. (*Divine, Q. 33,004*). Another case in which exact figures were available, was that of a practice in Lancashire, comprising 2,589 persons, where during 1913, 46 per cent. received treatment, and of this proportion receiving treatment, 28·3 per cent. received medical certificates (*Harrison, Q. 37,898-900*). In another case during a period of two months in winter, a medical practitioner gave certificates to 104 persons out of 364 seen, or a certificate to 1 in 3·5 persons (*Layton, Q. 29,124*). Another case in which exact figures were given was a Bristol practice, where among 600 persons seen, 283 initial certificates had been given although not necessarily to 283 different persons (*Devis, Q. 29,883*). In the practice of a

woman doctor in South London, out of 268 seen during 11 months, 5 received sanatorium and 56 sickness benefit (*Burgess, Q. 19,951*). Other estimates put before us vary very considerably. In a Liverpool practice, which was not largely industrial, the estimate was that one person in 10 seen received a certificate (*Bennett, Q. 16,121*); a doctor from a Derbyshire mining district said that about a half went away without certificates (*Duncan, Q. 17,108*); in a mining area in Durham we were told that about one-third come for treatment, and two-thirds come for sickness benefit (*Charles, Q. 20,279*). Other estimates given were that one in three of new patients get certificates (*Hodgson, Q. 25,621*); that on a given evening from 25 to 30 per cent. are certified (*Roberts, Q. 29,775*); that one in five of those seen are put on benefit (*Marsh, Q. 32,438*); that during a year 15 per cent. of those seen had received certificates (*Farman, Q. 33,417*): that about one in 10 would be given a certificate (*Richmond, Q. 38,342*).

109. There is a divergence of evidence as to the attitude of mind in which an insured person comes to the surgery. In some cases it is stated that the insured person approaches the doctor with a desire to be put on the funds for very minor complaints (*Belding, Q. 34,181*), or that when they enter the surgery they express their intention of "going on the panel" (*Richmond, Q. 38,367*). While, therefore, in certain cases the insured person approaches the doctor with the patent object of obtaining a certificate, in the great majority of cases it would appear that the certificate is merely an incident in the course of medical treatment. Questions at once arise as to the stage at which the certificate should be given, what form it should take, what particulars it should seek to convey to the mind of the official of the society for whose eye it is intended. These questions, however, mask the true difficulty with which the doctor, as well as the insured person, is confronted, viz., in what circumstances is the insured person entitled to sickness benefit?

MEANING OF "INCAPACITY FOR WORK."

Literal Interpretation of the Clause.

110. The statute defines "sickness benefit" as "periodical payments whilst rendered incapable of work by some specific disease or by bodily or mental disablement."^{*} This definition has in practice caused great embarrassment to those concerned in the administration of the Act. Literally interpreted it might be taken to mean that if an insured person is so stricken as to be unable to do any manner of work whatever, but not otherwise, he should be entitled to the benefit. This would mean that only those who are confined to bed, and unable while in bed to do anything which could be regarded as work, are proper claimants. Under such an interpretation, it would be difficult for anyone, apart from the completely paralysed and the unconscious, to establish a claim for sickness benefit (and on the application of this criterion it would be rare in ordinary circumstances ever to receive a claim which would be regarded as justifiable). It must, further, be remembered that the Act, in effect, is designed to continue the work done by the sickness benefit of the Societies in the past. In many cases, as already stated, the operations under it proceed side by side with the private work of a Society still engaged in its old business. It has been argued that the provisions of Section 72, to which reference has already been made, furnish support for the opinion that the "sickness benefit" provided under the Act is the same thing in content as the "sickness benefit" previously provided (*Webb, Q. 27,116*).

Previous Practice of Friendly Societies.

111. The Friendly Societies, however, did not in any case require this physical paralysis of all the bodily functions as a condition precedent to the receipt of sickness benefit. Their rules contemplated payment when the members were "unable to follow their employment" (Courts No. 1393, 1369, 1655, 1659, 2179, 2206 of the Ancient Order of Foresters); (the High Court rules of this Society required a member to be "incapacitated from work"); or "not able to follow their employment," and "unable to follow his usual occupation" (Lodge No. 4870); and "not able to follow their employment" (Lodge No. 4881, 5702, 5789, 6178 and 4576, Manchester Unity); "prevented from following his usual employment" (Sons of Temperance); "unable to follow his employment" and "disabled from

* See section 8 (1). Subject to the provisions of this Act, the benefits conferred by this Part of this Act upon insured persons are—

(c) Periodical payments whilst rendered incapable of work by some specific disease or by bodily or mental disablement, of which notice has been given, commencing from the fourth day after being so rendered incapable of work, and continuing for a period not exceeding twenty-six weeks (in this Act called "sickness benefit").

following his employment, trade or occupation" (Ancient Order of Shepherds, Lodge 3143); "unable to attend his employment" (Rational Association); "unable to follow their employment" (Compton Pilgrims); "unable to follow his usual employment" (Great Eastern Provident Society); "incapable of following his usual occupation" (Royal Oak Benefit Society); "incapable of rendering professional duties and is actually absent from work" (Teachers' Provident); "totally unfit to follow his occupation" (United Kingdom Commercial Travellers Benefit Society); "prevented from following his usual employment" (Stroud or Mid-Gloucester Workmen's Conservative Association Benefit Society); "rendered incapable of following his employment" (Hearts of Oak Benefit Society); "incapacitated from performance of customary occupation" (Stowmarket Provident Society); or contemplated payment when the member is suffering from a disease "disabling him from following his calling" (Ideal Benefit Society and National Deposit Friendly Society). These are cases, taken almost at random, from the rules of old Societies. Some, however, used formulae more in accordance with the literal interpretation of the Act. For example, "unable to do any work for profit or reward" (Wiltshire Friendly Society); "incapacitated to gain a livelihood not resulting from the infirmity of age" (Hampshire and General Friendly Society); "incapable of gaining his livelihood" (Royal Standard); "unable to perform any kind of work or to follow his ordinary occupation" (Railway Guards Universal Friendly Society); "totally unable to earn his livelihood" (Metropolitan Railway and Mutual Provident); and "incapable of following any employment" (Independent Order of Rechabites, Salford Unity Order Rules).

Attitude of the Medical Profession.

112. There is every reason to believe that the natural instinct of the doctors, on being called upon to certify incapacity under the Act, would have been to regard anyone as incapable of work who was incapable of performing the usual work by which he earned his living. Questions raised by societies in particular cases, and difficulties such as those connected with the question of where incapacity ends and convalescence begins have, however, produced in the minds of the profession a considerable degree of confusion and a state of honest doubt as to the meaning of incapacity for work, and a desire for enlightenment from some authoritative quarter (*Claydon, Q. 24,514*). In general, however, it is clear that the profession have, in certifying, had regard to the ordinary employment of the insured person. "If a man or woman cannot follow his or her usual work for a certain time, then "that person is incapable of work" (*Bennett, Q. 16,220*). Other doctors have stated that the test is, whether the insured person is incapable of following that particular job (*Charles, Q. 20,412*).

Difficulty of the Literal Interpretation.

113. The question of interpreting a phrase in an Act of Parliament is one for lawyers, and as a Committee we cannot give expression to a view which can make any pretension to be more authoritative than that of anyone engaged in administering the Act. Certain observations may, however, be permitted. In the first place, whatever "incapacity for work" may mean it cannot be interpreted in the extreme sense indicated in a previous paragraph, according to which incapacity could only be predicated of the sleeping and the dead. Such an interpretation is condemned by its inherent absurdity; the words of an Act of Parliament must bear some relation to the meaning attaching to them in ordinary everyday use. Moreover, it is of the first importance that the meaning to be attached to the words defining the conditions on which the right of the insured person to benefit depends, should be definite and uniform in the minds both of those who issue certificates, and of those who pay on them. Where the tendency of the doctor or of the society official is to take an ultra-strict view, uncertainty may result in harshness and the denial of benefit to those who in any ordinary sense of the word are incapable of work. More frequently, however, uncertainty will tend to looseness and the granting of certificates of incapacity to those who, while not incapable of work, would be the better for a period of rest or change. There is also much in the argument that in most cases the usual occupation of the insured person is the only one by which he can in fact earn his bread, and that if he is rendered incapable of that calling, it is idle to refuse him benefit on the ground that he is physically capable of some other work which would usually require previous training, and which in any case cannot be obtained at a moment's

notice, or for such interrupted and spasmodic periods as are usually comprised in times of incapacity such as we are considering. A labourer with a crushed foot may be pronounced to be physically not incapable of playing the cornet or the drum at the local music hall; a farm labourer with a cold may be physically able to assume the part of an accountant, but in either case, apart from the fact that such occupations cannot be obtained for odd days or broken periods, he will usually be debarred by his previous training from thus varying the monotony of his life during times of sickness. In all such cases the impossibility of obtaining or doing other work makes it necessary that in normal circumstances sickness benefit should be payable whenever the insured person is rendered incapable of following his ordinary occupation.

The intention of the Legislature.

114. In terms, such an interpretation of the words of the Statute appears to represent a considerable extension of the right to sickness benefit which, as already stated, is at present only payable when the insured person is incapable of work, and it might appear therefore that such an interpretation would impose on the funds of the societies an additional burden for which no provision has been made. This effect would be more imaginary than real, and the payment of benefit where incapacity for the ordinary employment exists, would in general be more in consonance with the intention of the Legislature in passing the Act than the adoption of the strict and literal interpretation of the clause. It has already been indicated that the existence of section 72 of the Act makes it a reasonable assumption that the Act was to a large extent intended to carry on the work hitherto done by the friendly societies, who in actual practice very largely paid on proof of incapacity for the ordinary employment of the member (*Webb, Q. 27,116*). There is, further, a point which is of considerable importance in this connection, namely, that the finance of the Act is based on the experience of the Manchester Unity, with such loadings and adjustments as were necessary to adapt the experience of that society to a national scheme of insurance. Underneath these loadings and adjustments, it was assumed that the experience of the Manchester Unity could be taken as a guide. There would, therefore, be no inconsistency in applying to the procedure under the Act on this question the practice of the Manchester Unity, in which the certificate of the doctor invariably stated that the member was "unable to follow his usual occupation" (*W. P. Wright, Q. 31,570*).

Cases of Permanent or Prolonged Incapacity.

115. Such a criterion, however, although applicable in the vast majority of cases, cannot be regarded as having universal validity, and in particular it furnishes no test in many cases of prolonged incapacity. Where an insured person is either permanently incapacitated from ever again following his occupation, or is in such a condition that his return to his ordinary work must be long delayed, he may, nevertheless, be capable of earning his livelihood in some other way. In these circumstances it would be unreasonable to hold that the application of the suggested criterion would require the society to continue to pay benefit to the member for the rest of his life. The difficulty in such cases is to settle at what point the determining criterion ceases to be incapacity for the ordinary occupation, and where it is necessary to introduce another consideration. The representative of one approved society placed on the words "incapable of work," two interpretations—a legal interpretation under which the words mean "incapable of any work," and the interpretation proper to the secretary of a society under which the words relate to the insured person's ordinary occupation. He suggested that the words should thus ordinarily be interpreted with reference to the usual occupation of the insured person, but that the legal interpretation should be held in reserve for special cases (*Barrand, Q. 4787-8*). In the instance cited, in which an insured person is for ever cut off from following what has hitherto been his usual occupation, as, for example, where an engine-driver is probably for ever debarred from the footplate owing to minor epilepsy, the problem, in the words of this witness, is to decide whether he had ceased to be an engine-driver. "If I came to the conclusion 'on all the facts that he could no longer be regarded as an engine-driver, if he is incapable of following his occupation as an engine-driver, but is capable of following another occupation, he is not entitled to sickness benefit. If I came to the conclusion that he might still be regarded as an engine-driver, and we decided 'to carry out the idea of a man being entitled to benefit where he is temporarily

"incapacitated from following his ordinary occupation, I should say he would be entitled to benefit" (*Barrand, Q. 4803*). Another approved society witness, with reference to an assumed case of writer's cramp, expressed a similar view: "He would be capable of some kind of work, but not of the particular kind at which he earned his livelihood, but the time might come when that writer's cramp might become chronic, and not amenable to treatment. Under such circumstances we should not pay. We should tell him that he must find some other employment" (*R. Smith, Q. 13,093*). This also, in effect, was the practice adopted by the old friendly societies in dealing with such cases: "When the time arrived and he was sufficiently recovered that he would be able to follow some other employment than that he was previously engaged in, the lodge would not then go on paying him sickness benefit. They would expect him to get some employment after a reasonable time" (*W. P. Wright, Q. 31,574*).

116. The evidence of medical practitioners on this question also indicates that, while in general holding the view that certificates should be granted in cases of incapacity for the insured person's ordinary occupation, doctors recognise that this cannot be done for an indefinite period, and that the time will arrive when some other test must be applied. In general, it was evident that the question had not been subjected to any clear thinking on the part of the profession, on the ground apparently that disablement benefit had not yet become payable under the Act (*Bennett, Q. 16,224*.) One doctor stated that he would regard such a person as incapable of work for a certain period, and thinks that he should have a right to give him a certificate of incapacity for a considerable time. (*Bennett, Q. 16,232-3*.) Other practitioners have suggested that in time the doctor should certify that the insured person is no longer capable of doing such and such work, but that he is capable of doing light work. (*Hodgson, Q. 25,734; Layton, Q. 29,359*.) Such a modification in the wording of the certificate would, however, cause great embarrassment to the approved societies who under the Statute are required to pay in cases of "incapacity for work." The fact that no experience of disablement benefit has yet been obtained is really irrelevant to the consideration of this question. Disablement benefit is merely a continuation of sickness benefit,* and the Act does not prescribe a different title in the case of the one from that required in the case of the other. The question of determining the point at which the insured person must be regarded as being permanently incapacitated from following what has hitherto been his occupation, but as capable of other work, is one which may arise at any stage of what under the Act are known as sickness and disablement benefit. Theoretically it is possible that this point could be determined on the first day of incapacity for ordinary employment. If under some malign influence an insured person is suddenly, painlessly, and permanently deprived of the use of his right arm, he will, in most cases, be rendered incapable of his usual work, while capacity for some other employment may remain unimpaired. In such a case the insured person's capacity for other work would from the beginning disentitle him to benefit. This, however, is not a practical point and is merely cited to emphasise the fact that the necessity of determining this question may arise at any stage of the 26 weeks sickness benefit, or at any time subsequently when disablement benefit is being paid. In practice the onset of sickness will in nearly all cases begin a period of treatment, and the question to be determined is when the sick person, having lost for ever or for a long period to come his capacity for his former work, becomes capable of something else. On this interpretation disablement benefit as defined in the Act would only be permanently payable where an insured person had lost all power of earning his living. Although, as has been said, this question has no necessary connection with disablement benefit, the difficulties will become more acute now that the payment of disablement benefit has opened up the possibility of insured persons remaining indefinitely on the funds of societies.

THE RELATIONS BETWEEN DOCTORS AND APPROVED SOCIETIES.

The Effect of the Act on the Relations of Doctors to Friendly Societies.

117. The inherent difficulties of the profession in this matter have been intensified by the circumstances. As has already been indicated, a large section of the practitioners who are now serving on the panel had previously had experience of friendly society work, and, although in many respects the conditions are altered, they are not without training in the practice of certification for sickness benefit.

* See Section 8 (1) (d). In the case of the disease or disablement continuing after the determination of sickness benefit, periodical payments so long as so rendered incapable of work by the disease or disablement (in this Act called "disablement benefit").

In many cases, however, the break in the relations between the societies and the doctors consequent on the passing of the Act has reflected itself in an altered attitude towards the society. It is represented that, notwithstanding the previous existence of friendly relations, doctors have now frequently taken up the position that they have no connection with the society so far as medical benefit is concerned (*Hymer, Q. 19,128-9*). Societies realise that there has come, with the introduction of medical benefit under the Act, a change in the attitude towards them, of even those doctors who had been their faithful officers (*W. P. Wright, Q. 31,794*). The view thus expressed does not, however, represent the unanimous view of approved societies, some of the smaller of which appear to have been able to maintain comparatively undisturbed the old relations with the doctors. Doctors themselves who have in the past done contract work state, in general, that the operation of the Act has in no way affected their previous practice with regard to certification. There is, however, some reason for believing, apart from the representations of societies, that while formerly doctors were ready to look after the funds, they are not now prepared to consider the interests of the society at all; as it is expressed, the lodge has now ceased to exist, and it cannot be expected that the same interest will be taken in a general as in a local matter. (*J. E. Phillips, Q. 35518-21*). With regard to those doctors who are now engaged in this kind of work for the first time there is reason to believe that with some exceptions they do not correctly apprehend the nature of their task, the value to be placed on their certificates, the relation in which they should stand to the society or their responsibility to the working of the whole machine.

Difficulties of Doctors in Work of Certification.

118. Under the arrangements made between the Insurance Committees and the medical practitioners, it was assumed that the panel practitioners would be competent to give such certificates of incapacity, as might be necessary, and that no improper motive would urge them to give certificates in other cases. In the course of our inquiry, however, overwhelming testimony has been advanced in support of the view that unaided, the panel practitioner experiences difficulty in discharging satisfactorily his duties of certification, and that therefore it is desirable in certain cases that a second medical opinion should be available. Sometimes the desirability of such a second opinion has been based on the difficulty which practitioners may feel in determining whether in a given case an insured person is in fact rendered incapable of work, the difficulty being due either to uncertainty as to the nature of the disease, or to doubt whether the illness diagnosed is of such gravity as to incapacitate. In these cases of doubt or difficulty, it has been represented that the possibility of obtaining a second opinion on the question of the insured person's inability for work would lighten the task imposed on the panel practitioner. To this we propose to return in a later portion of this report.

The Desire to be on Friendly Relations with Patients.

119. There is, however, another aspect of this question which requires careful consideration. The remuneration of a practitioner on the panel depends on the number of insured persons who are entitled to receive treatment from him, and among representatives of approved societies, there is a wide-spread belief that the fear of offending patients is a motive which induces practitioners to grant certificates for trivial illnesses or continuing certificates after incapacity has, in fact, ceased. It is unnecessary to summarise the evidence of society officials on this point as there is almost universal testimony of their belief that certificates are granted recklessly, and that the fear of offending patients leads panel practitioners to issue certificates of incapacity improperly, and that the funds of the society are consequently depleted. It is of more importance to consider what representatives of the medical profession themselves have said on this question. The desire in the mind of the doctor to be on amicable terms with his patients is not necessarily, nor exclusively, based on pecuniary motives. In part such friendly relations are postulated as a necessary condition of that atmosphere of confidence which must exist if a doctor is adequately to discharge his functions as a healer. This particular cause of difficulty would exist on whatever terms doctors were employed. In the words of one witness, who has had extensive experience of general practice in the East End of London, "the successful treating " of a patient, even from a patient's point of view, depends on extremely friendly " relations between yourself and the patient. Directly you are going to doubt " his statement and act as a detective, you are establishing a relation which " makes it very difficult to treat in the future. It destroys a valuable part of " treatment" (*Roberts, Q. 29837-9*). The same point of view is involved in a

reply given by another medical practitioner, "I think that it would be a very unpleasant state of things for the doctor if the patient could not get away. I would rather be without patients who owed me a grudge" (*Claydon, Q. 22,536*).

The Fear of Losing Patients.

120. Apart from this motive, which regards harmonious relations as a condition precedent of successful medical treatment, there is abundant evidence that doctors, with varying degrees of distinctness, feel a difficulty in refusing certificates owing to the possible effect upon their practice. The danger that confronts the medical practitioner is not merely that he may lose the particular insured person to whom a certificate has been refused, but that with him he may lose the family and the friends of the insured person, and also that he may acquire a reputation for strictness which may be detrimental to his future success. It was stated by a witness from a not strictly industrial neighbourhood, in which the sons and daughters of families from which the doctor had hitherto received good fees have now become insured persons, that if the doctor falls out with his patient he loses the whole family, and financially, therefore, it is a very serious thing if he offends these people. "One man told me," said this witness, "that he had two girls on his list, who went on the funds, genuinely, he thought, directly the Act came into force in January, and they stayed on for several months. He dared not strike them off; the families were worth too much to him." "I hope that I shall not be tempted," added the witness. "It is a very nasty thing when you think what you will lose" (*Bennett, Q. 16,133-42*). That this fear is widespread is clear from the evidence of the Medical Secretary of the British Medical Association, based on replies from the representative bodies of the medical profession throughout the country. It may be inferred from Dr. Cox's evidence that the embarrassment caused by demands for certificates, or the fear that demands may be made, affects almost universally the minds of the profession (*Cox, Q. 30,289*), and in his opinion this has been a factor, although not a very considerable factor, in increasing the payments for benefit (*Cox, Q. 30,292*). Another witness, practising in a rural area where it is generally assumed that this influence is necessarily less active, stated that every doctor whom he had interviewed wants "somebody to take the onus of putting somebody off." (*Belding, Q. 34,219*). "Every man," it is said, "is afraid of getting the name. 'Do not go to Dr. ———. He will not put you on the club'". "It is a very important factor in doubtful cases. If there is a number of doctors in a district and one man gets a reputation for letting people on the club, there will be a sort of unfair competition" (*Belding, Q. 34,220-1*). The evidence of other witnesses supports the view that this fear is present in the mind of the doctor, quite apart from the question of how far it influences him in action. "I do not say that there is nothing at all in it," said one witness, "a man is a very complex animal and is subject to many influences. I say that that influence is at work now in Chesterfield, where these things affect him, where he is resenting them all the time, where he is striving to get clear of them, and where occasionally, if he is a strong enough man, he can kick against them altogether" (*W. Duncan, Q. 17,565*). Another witness, who did not think that this fear affected the action of the doctor "in a general way" recognised that it, nevertheless, was present in his mind (*Charles, Q. 20,503-4*). Another expressed the view that doctors were not influenced "to any great extent" by the fear of losing patients by transfer at the end of the year (*Divine, Q. 33,170*). Another practitioner, who thought the dread an unfounded one, nevertheless recognised the existence of this feeling. "The medical practitioners have dreaded a lot of things unnecessarily; they are very easily frightened. I think that they are frightened of their own shadows in many cases. Speaking for the medical committee, we have got to realise their dread" (*Hodgson, Q. 25,690*). The existence of this motive in influencing the action of the doctors has also been noted by those who have had a favourable opportunity of observing the work of the panel practitioners. "A doctor in one of the rural portions of the area came to me" said a clerk to an insurance committee, "and said that he was much perturbed in mind in respect of one of his cases. He felt almost certain that a woman was fit to work, but she insisted upon applying for a certificate week by week, and, much against his judgment, he had furnished the certificate. He came to me and asked what course I could suggest with a view to securing a second examination of this person. He himself did not want to take any active steps in the matter, because he was afraid that if he refused to give this insured person a certificate, or referred her to the society direct, it would mean that not only she, but several others, would leave his panel, and he

"could not afford to lose patients" (*Parrott, Q. 21,263*). Reference may also be made to the evidence of Dr. Bertram Rogers, who has acted as medical adviser to the Bristol Insurance Committee, and in that capacity has had peculiar opportunities of observing the attitude of medical practitioners in that area. In his opinion the disinclination to be regarded as a severe doctor has led doctors knowingly to give certificates which ought not to have been given. "I think," he added, "that I could pick out one or two doctors from whom they could get certificates with the greatest ease" (*Rogers, Q. 15,369-72*). There is thus considerable support for the view of one witness already referred to that there is a serious risk that in attempting to be popular by giving satisfaction to his panel patients, the doctor may keep them on longer than is necessary, and that to this must be ascribed a large part of the leakage of the funds (*Belding, Q. 34,288-9*).

Absence of a Sense of Responsibility to the System.

120. In addition to this timorousness, it is necessary to note among a large section of practitioners on the panel, the absence of a sense of responsibility to the system. Doctors have in the past been by training and by the conditions under which they practice their profession, an individualistic class. Their work is performed in the main in the privacy of the consulting room, and for the manner in which they discharge their duties they have to a large extent been responsible only to their patient and to their conscience. But new conditions of a far-reaching character have been called into being by the passing of the Insurance Act. The profession has now become one of the essential elements in working the Act, and is called upon to play its part in a great national scheme. It is evident, however, that in many cases this wider responsibility has not yet been realised. According to Dr. Rogers, the responsibility felt is chiefly to the patients, and, he added "I do not think that they consider that they are responsible to anybody" (*Rogers, Q. 15,616*). The absence of this sense of wider responsibility is usually manifested in a disclaimer of any duty towards approved societies. The doctor does not think much about the approved society, and he does not think of his relation to the society unless it is put to him (*Bennett, Q. 16,624*). There is a sort of vague relation with the society, but the doctor does not consider that he has any responsibility beyond keeping his agreement and doing conscientious work (*Q. 16,626*). It is admitted that there is a gulf between doctors and approved societies, but it is not clear why it is necessary to bridge this gulf (*Q. 16,924-5*). The working of the Act has not, it is said, suffered by this aloofness (*Q. 16,930*). Another medical witness who expressed emphatically the view that he had a common interest with the insured person and the societies to make things work, stated that the contrary view was general (*W. Duncan, Q. 17,148-9*). In expressing the extreme view, a woman practitioner stated that she did not consider the societies at all in her work; she only considered the patient's health (*Burgess, Q. 20,041*). When a certificate is signed stating that a patient is suffering from a definite condition, say, debility only, and is totally incapacitated for work, the doctor, by such a certificate, gives to the society the information which it requires (*Q. 20,043*). The doctors help the societies by signing certificates (*Q. 20,048*), and the assistance which the doctor is to extend to the approved society is to be limited to giving an honest certificate (*Q. 20,054*). It must not be regarded as part of the duty of a doctor to answer letters from societies, as this would entail additional clerical work (*Q. 20,055-9*). Thus the society does not enter the doctor's mind (*Q. 20,094*). The doctor would gain nothing from co-operation with societies (*Q. 21,186*), as the duties of societies and doctors are not interdependent (*Q. 21,189*). The evidence of Dr. Cox, the Medical Secretary of the British Medical Association, was to the effect that the profession is probably not taking as wide an outlook on this as it might, although education is going on the whole time (*Cox, Q. 30,089-90*). It is necessary to bring about a *rapprochement* between approved societies and doctors (*Q. 30,102*); violent and venomous things, however, have been said, and "both sides have to cool off a bit" before you can have anything in the way of *rapprochement* (*Q. 30,103*). The same attitude may be found in another witness, who stated that he did not know that the doctor owed any direct duty to the society except that he has to cure their members as quickly as possible. "We have nothing practically to do with them" (*Farman, Q. 33,501-2*). Again, the doctor does not consider the interest of the society to which the patient belongs, because being national insurance, the thing is now remote; the official of the approved society has practically no *locus standi* in the matter. In the case of serious illness at least, the claim of the patient on the doctor is absolutely the first and only claim (*Belding, Q. 34,280-2*).

The Doctor's true Responsibility.

122. The attitude of a very considerable portion of the medical profession may then be taken to be that their duty is to cure their patients, and that for the discharge of this duty they are responsible to the patients alone. In a sense this is a mere platitude. No one would be so hardy as to suggest that it is not the doctor's duty to cure his patient. This should, indeed, be his absorbing idea, and in issuing to his patients such certificates as are necessary, he should in no way be restrained by consideration of the state of the society's funds. In the past history of friendly societies this may have been obscured to a certain extent by the close relation between the lodge and the doctor as its officer. The necessity for "considering" the society has now ceased; if, in the opinion of the doctor, the insured person is incapable of work, the effect on the funds of the society of granting him sickness benefit should in no sense affect, or even enter into, the mind of the doctor. It does not, however, follow that the doctor has no responsibility to the society or to the general working of the scheme. There is, in the first place, a clear responsibility to give to the insured person such certificates as he is entitled to receive, and to refrain from giving such certificates as he is not entitled to receive; there is also a responsibility to his own conscience to deal justly by societies, who have to accept his certificate as evidence on which to make payments out of the funds held by them on behalf of their members. If the doctor regards the interest of his patient as paramount, he must be prepared to do his best to contribute to the successful working of the Act, by which alone the sustenance of the insured person in future sickness can be secured. A regard for the interest of the patient, therefore, involves a duty to see that the undeserving do not receive benefit to the detriment of the deserving.

Dissatisfaction expressed by Societies with regard to Doctors.

123. It is impossible to overlook the almost unanimously expressed opinion of society officials that the action of doctors with regard to certification and the administration of the Act generally has been unsatisfactory. Taking a number of friendly society representatives at random, we are told that at the beginning the doctors were antagonistic, they are now more friendly than they were, but not altogether friendly; in certain areas "they freeze you off," and they have been giving certificates for complaints no matter how slight (*Sanderson, Q. 53, 55, 60, 62*). Out of 24 sickness visitors consulted by another society, only one stated that there was no fault to be found with the doctor; fifteen referred to the lack of interest, carelessness and evidence of overwork shown by the doctors (*Peters, Q. 1791*). Another witness, while giving credit to the doctors for their motives in issuing sickness certificates, thought that they were issued too freely, and that the doctors were giving certificates "very gracefully" (*Thomas, Q. 4531, 4617*). The representative of a women's society represents the doctors as being very much annoyed when asked about certificates, asking if it was thought that they would have given certificates unless satisfied that the person was unable to work. "People come here with all sorts of tales," the doctor is represented by this witness as stating, "They tell me they have got pains here and there. In fact they are full of aches and pains, and where there are so many to see, there are between 70 and 80 a day, it is impossible to take particular notice of everyone" (*Willson, Q. 5748, 5766*). The complaint that members receive certificates for minor complaints as, for example, pimples on the face, is general (*Shaw, Q. 6530; Frith, Q. 8717; Hollins, Q. 9127; Jackson, Q. 36,524; Jones, Q. 41,249, &c.*), and annoyance is also caused by the habit of concealing what are regarded as trivialities behind a terrifying nomenclature, as in the case of anorexia or coryza, which are found on research by an astonished secretary to denote merely loss of appetite, and a cold in the head (*Appleton, Q. 11,676-9*). Another society with intimate experience of doctors in the past finds in the action of doctors evidence of carelessness which is not improving to the extent that it might (*Hymer, Q. 19,150*), and fears that, if a secretary was frequently complaining to a doctor that he had issued wrong certificates, the doctor would order him out of his surgery (*Q. 19,146*). Another society, while thinking that the doctors had done their work satisfactorily, regretted that there had not been evidence of harmony between doctors and societies in some areas, and thought that especially in colliery districts more assistance might have been given by the profession (*Huntley, Q. 25,114*). Another witness states that on communicating with the doctor, the doctor sometimes ignores the society and sometimes practically tells them to mind their own business (*Pimble, Q. 37,082*).

124. No attempt need be made to assess at their correct value any or all of these statements, which are representative of an enormous volume of dissatisfaction with the action of the medical profession. There has been very little evidence of definite acts of deliberate false certification by panel practitioners, and it is necessary to bear in mind that carelessness and indifference on the part even of a comparatively small section of doctors may react unfavourably on the reputation of the whole profession in any area. According to the statement of a witness from one of the largest towns, it is "a dozen or twenty people who are causing all the mischief" (*Daniels, Q. 13,992*). Yet even making every allowance for this, the almost universal dissatisfaction expressed by societies with regard to the manner in which doctors discharge those duties in which societies are more particularly interested, when taken with the disclaimers by representative members of the profession of any responsibility to approved societies forces us to the conclusion that to a very large extent the medical profession have not extended to approved societies that assistance which must be forthcoming if the operations of the Act are to be successfully conducted. It is admitted that when the Act first came into force, the temper of the profession was to a certain extent ruffled, and that this found expression in a feeling of antagonism towards the Act and towards approved societies. There is a considerable body of evidence tending to prove that the Act is now regarded by the profession in a more kindly light, and that especially in certain areas less inimical relations exist between the profession and approved societies. The former attitude has, however, not completely passed away, and in many cases the doctor remains on his dignity with regard to approved societies, and a condition of aloofness is maintained.

Attitude of Doctors towards the demand for Precise Information on the Certificate.

125. As a particular illustration of this may be taken the attitude of the profession towards the demand of societies that as precise information as possible should be given regarding the nature of the illness from which the insured person is suffering. To a large section of the medical profession it appears that a clear statement of the illness is unnecessary, and that all that is of importance to the society is the statement that the person is incapable of work. In the extreme case, this manifests itself in an abrupt refusal on the part of the doctor to communicate in any way with the society with reference to a certificate issued by him. We have heard of a doctor, asked with reference to a certificate that a girl was incapacitated by pains and cough, replying among other things that "my certificate as a Bachelor of Medicine of the University of London, stating that the girl is unable to work, is correct, and I fail to understand your request." Another doctor, with reference to a certificate for "sickness and debility," replied, "I am greatly surprised at your decision respecting my diagnosis of sickness and debility. I beg to state that we doctors are not forced by any sections or society to give any diagnosis whatever. Surely what I have stated is quite enough for anyone to claim their benefits from." Another, with reference to a certificate of debility, returned a blank certificate, stating, "If you are not satisfied with debility, you shall have nothing" (*Macarthur, Q. 11,470-7*). We have also heard of a lodge secretary of an affiliated order who stated, with reference to a medical certificate, that, when spoken to on the subject, the doctor informed him that he knew when a member was fit for work better than the members of the lodge, and that the lodge must therefore abide by the certificates (*W. P. Wright, Q. 31,786*). On a doctor being asked for further information with regard to a certificate, he replied, "I can give you a diagnosis of this case for a fee of 5*l.* 5*s.*, but not for 1*s.* 6*d.* a week" (*Mander, Q. 21,793*). In another case, where a girl received sickness benefit for 23 weeks 4 days, on a certificate for neuralgia, the doctor replied that a certificate was given, and that was all he could do (*Pimble, Q. 37,282-4*). Another witness states that he received a certificate for chest affection, which was subsequently expanded to "bronchitis or pleurisy"; as the insured person, on being questioned by the society official, indicated that the pleurisy was situated in a part of the body not usually so affected, the doctor was consulted, and replied that, "You Oddfellows are too particular. Other societies would have paid on the chest affection" (*Jones, Q. 41,236*).

126. It may be urged, no doubt with truth, that such answers as these can only emanate from the less responsible members of the profession, but there can be little doubt that a large number of doctors regard the statement of the nature of the illness on the certificate as unnecessary to the society, and the demand for the amplification of a vague certificate as merely an act of officious fussiness on the part of the society. It is assumed that it is the doctor who places the insured person on the sick fund,

that his statement that the patient is incapable of work is sufficient for this purpose, and that it is therefore a matter of indifference what illness is specified on the certificate. Thus, we are informed that it does not matter what is written on the certificate, because at the end of the certificate it is stated that the insured person is totally incapacitated. So long as the patient is thus incapacitated it does not matter whether the incapacity is due to debility or to some other cause, and therefore the use of the word debility, even where something more precise could be specified, does not matter to societies (*Burgess, Q. 20,214-8*). The societies could take it for granted that possibly there was something behind besides debility, and that they need not trouble about it, having thoroughly protected themselves by having the words at the end of the certificate that the patient is totally incapacitated (*Burgess, Q. 20,227, 21,195*). What, it is again asked, does it really matter to the society or anybody what you call it? (*Cox, Q. 30,167-8*). Another witness, expressing the same view, says, "I think when we certify that a person is incapable of work, it should be accepted as our honest opinion that the person is incapable of work, that we are not trying to cover up any malingering, and are not trying to save ourselves trouble. . . . It should be accepted that we really honestly mean that the person is incapable, and it is not a question of what is on the certificate. What is on the certificate is of very little importance. . . . The important question is, is the person incapable of working?" (*Oldham, Q. 37,670*). The fact that one medical practitioner gives certificates of debility for an abnormally lengthy period may be of interest from a medical point of view, but it does not affect societies. From the health point of view a society may have some interest in knowing whether an illness specified as debility is not in fact something else, but it has no interest from a monetary point of view (*Q. 37,787-91*). Another practitioner expressed his view as coinciding with that of other practitioners in his area, that it ought to be left entirely to the doctor's judgment as to the name of the disability or disease that he puts on the certificate (*Devis, Q. 39,953*). The doctor "pledges his personal honour and his professional reputation that he is unable to follow his employment; and that is just as good, and just as binding as saying that he is suffering from some disease. . . . It is the doctor's *bonâ fides* which is at stake, and not the diagnosis" (*Q. 39,992*).

The necessity for Precise Information on Certificate.

127. The contention that it is sufficient for the purposes of approved societies for a doctor to certify incapacity, necessarily involves the position that the doctor shall be the sole judge as to whether an insured person shall receive sickness benefit. It is agreed that it would put the medical practitioner in an impossible position with regard to his patients, if the patient were to think, and think rightly, that it rested entirely with the doctor to decide whether he should receive benefit or not (*Clarke, Q. 39,262*). Apart, however, from any objections which may be urged against a system in which the right to place persons on sickness benefit is vested in the medical practitioner, it may be sufficient to observe that this is not the system which at present is in operation. The obligation of deciding whether an insured person is entitled to sickness benefit now rests with approved societies, and the doctor by his agreement with the Insurance Committee has undertaken to supply such certificates as are required by the rules of the society of which the insured person is a member. It is clear that the society is not in a position to arrive at a decision in any case as to the propriety of paying benefit unless it is supplied with precise information as to the nature of the illness from which the insured person is suffering. This information is essential, not merely on the general ground that the societies are called upon to arrive at a decision with regard to the claim, and cannot do so in the absence of the facts, and that in certain cases, such as those in which the cause of an injury or disease may be such as to entitle the insured person to compensation under the Workmen's Compensation Act, or in which the disease may be due to the persons own misconduct, information of the nature of the disease is indispensable to put the Society upon such inquiry as it may be its duty to make, but also because after all the doctor is only certifying as to that which is within his knowledge. In many cases which present purely subjective symptoms the doctor is to a large extent obliged to accept the statement of the insured person, and elsewhere his judgment may be misled by a fraudulent or exaggerating patient. In these cases it is necessary that the certificate of the doctor should be checked, partly by the societies' knowledge of their members, and partly by the investigation of their sickness visitors. These checks cannot be applied unless the certificates issued

by the doctors convey clear and precise information to the mind of the society official who adjudicates on the claims.

Prevalence of Vague Certificates.

128. There is every reason to believe that very large masses of certificates have been issued with intentionally vague and misleading diagnoses stated on them. Such a practice is necessarily the cause of infinite embarrassment to societies who have to arrive at a decision on deficient evidence. It is impossible to hear the evidence of representatives of approved societies without being impressed by the enormous difficulties with which they have had to contend, owing to the submission of certificates for such illnesses as debility and catarrh. Nearly all the cases of difficulty experienced by societies with regard to certification originate in certificates of this nature, and there is every reason to believe that an enormous volume of such certificates are in fact issued. One society estimated that 31½ per cent. of the payments for sickness benefit had been made on certificates for anæmia and debility (*Clayton, Q. 3063*). Another society which had investigated several thousands of first certificates found that complaints such as anæmia, catarrh, debility, cold, neuralgia, tonsillitis, accounted for 25 per cent. of the total of cases investigated (*Jefferson, Q. 7228*). In the case of another society the figures submitted showed that in the first two quarters, out of 116 certificates on which benefit was paid, 104 were for anæmia, debility, gastric catarrh, and illness, in the third quarter 25 out of 27 were covered by these classes, and in the fourth quarter 18 out of 21 (*Barber, Q. 28,652*). Dr. Rogers states that the doctors have "got a certain number of definite things which they put down," taking the path of least resistance, such as "debility, anæmia, bronchitis, bronchial catarrh, dyspepsia and things of that sort" (*Rogers, Q. 15,412-4*). According to the Clerk to the Bristol Insurance Committee the practice of writing debility on certificates is so common that he does not feel justified in taking the matter up with practitioners (*Paget, Q. 24,072*). It may not be irrelevant to observe that the area to which the Clerk thus refers and of which Dr. Rogers speaks with special knowledge is that in which the Committee were informed by another witness that it ought to be left entirely to the doctor's judgment as to the name of the disability or disease that he puts on the certificate (*Devis, Q. 39,953*).

Certificates for Debility.

129. It may be observed that debility is not in itself a specific disease; it is a condition of ill health, and while in the early stages of an illness it may not be possible to state more than that the patient is "weak" there must be an underlying cause of the debility, which it is the doctor's duty to ascertain as soon as possible. Debility is, in fact, not a diagnosis of illness, but a description of a state arising out of or accompanying illness, and while in certain circumstances it may be a permissible statement on a certificate at the beginning of an illness, its continued use is a confession by the doctor of his inability to ascertain the real cause of the insured person's incapacity. The dangers involved in the use of the word "debility" and the temptation which it may hold out to the hurried or careless doctor to specify on the certificate something which at least cannot be proved to be wrong, are recognised by a number of the representatives of the medical profession who gave evidence before us. One witness, while allowing that debility might be a permissible statement for one or two weeks, said, "Debility is a very unfortunate thing to put on the certificate. 'I always avoid it myself. I have actually cases of it . . . which came 'from another area; one proved to be consumption and another a largely 'dilated heart . . . I grant that it is not a term which one can defend very 'well. . . . I dislike it, and, if I were a medical referee, I would always be 'suspicious when I saw the term debility'" (*Bennett, Q. 16,329-331*). Another witness of great authority, not himself engaged in panel practice, was of the opinion that "there is a stage in illness when debility is all that the medical man can say, but "at a reasonable time he would naturally be expected to assign some underlying "cause" (*Bond, Q. 18,486*). This witness deprecated the writing of debility as a regular habit, agreeing that it offered a temptation to the weaker doctor, both to an easy diagnosis and to the improper grant of certificates (*Bond, Q. 18,499-501*). "I think," said another practitioner with reference to the word debility, "that it always "shows a certain amount of debility on the part of the doctor. . . . I think it "perfectly right that the diagnosis should be strengthened by the cause of the debility. " . . . Debility is always a great refuge for malingering. It is feeble on the "part of the doctor to use it" (*Hodgson, Q. 25,755-7*).

130. Such views as these, however, are not universally held in the profession. It is clear that a very considerable section of practitioners succumb to the temptation of putting on the certificate the readiest diagnosis available, and that the failure to furnish accurate or sufficient information to societies has added enormously to their difficulties. The certificate of the doctor is merely evidence on which the society has to decide, but only with the assistance of the best medical evidence can the society arrive at a decision. The peculiar position of the doctor, and the fact that in many cases his evidence is the only evidence available, makes it of greater importance that what is stated on the certificate should not represent any deviation from the full truth. Apart from the cases in which it is not possible to give a definite diagnosis in the early stages of illness, the tendency to vague diagnosis manifested in the extreme case in such certificates as those for debility extended over many weeks, must be attributed either to the slackness, incompetence, or what can only be termed the perverseness of the practitioner. There are, however, important groups of cases in which vagueness is due to deliberate intention inspired by what the practitioner considers as a legitimate regard for his patient.

Intentionally Vague Certificates : (i) Danger of Aggravating Illness.

131. Taking the last of these causes, it is evident that certificates bearing the word "debility" or some other vague and misleading diagnosis are frequently issued where the patient is suffering from, and must be known by the doctor to be suffering from, a definite illness other than that specified on the certificate. The first class of case in which it has been advanced on behalf of the doctor that he should be vested with a discretionary power to make an incorrect statement on the certificate, is where it is said that the patient is suffering from an illness which would be aggravated by a knowledge of his condition, or where it is feared that a clear statement of the nature of his illness, in a document which would be seen by the patient, would affect his mind in such a manner as to cause a risk of serious danger to his health. In this class of case are usually included cancer, certain forms of heart disease, and such illnesses as incipient insanity. It is, however, inherently improbable that cases of this class will be numerous, and this fact is supported by the evidence before the Committee. "I believe that the importance of that subject has been " enormously exaggerated I was trying to think of a single case before " the Act came into force where it has been on the face of it necessary to gloss " over the truth, and I cannot think of a single case " (Marsh, Q. 32,506-7). Another witness states, "We tell all our patients exactly what is the matter " with them They like it and we prefer to do it " (Roberts, Q. 29,856-7). Another witness, with 2,589 persons on his list, stated that while he could imagine that the doctor would sometimes not want to state the nature of the illness, in every case which he had had so far he had put down what he thought to be the real illness (Harrison, Q. 37,952). Another practitioner, who urged that there were many cases in which it would be bad for the patient to learn the true cause of incapacity, stated, speaking from recollection, that in only one case out of 283 certified by him had it been necessary not to put the true name of the illness in order that the patient should not be injured (Devis, Q. 39,958). It would thus appear that the number of cases in which it is undesirable in the interest of the health of the patient that a true statement of the nature of the illness should be inserted on the certificate is extremely small, and it would not appear to be beyond the bounds of human ingenuity to devise some method whereby, in these cases, sufficient information could be conveyed to the society without the true facts being communicated to the patient. The statements as to the possible risks to patients of disclosure to them of the full truth are supported by so great a weight of professional opinion that we cannot disregard them, but it is impossible on such cases to set up a general defence for the use of synonyms, euphemisms, or aliases (Cox, Q. 30,166-30,190), which are intended to deceive, and which in fact can only be successful if they do deceive.

Intentionally Vague Certificates : (ii) Diseases Peculiar to Women.

132. A second class of cases requiring consideration in this connection is that of women suffering from diseases peculiar to their sex. Here the use of precise medical nomenclature in certification is deprecated, on the ground that it is revolting to the patient's feelings that such a certificate should be handed about among the officials of a society, particularly in cases in which the confidential character of the certificate may not be duly respected.

Intentionally Vague Certificates : (iii) Illness Due to Misconduct.

133. The remaining class of cases in which vague terms like debility, or euphemisms, or synonyms are defended, is where it is considered desirable to conceal what is, or may be regarded as, an illness due to misconduct. The position is here complicated by the fact that certain societies take an extraordinary view of what is involved in misconduct, and of their powers under the Act of withholding benefit where illness is due to that cause. Thus, one society appearing before us has definitely excluded from payment of benefit cases of "the venereal disease or any species thereof." The society ignores the question of whether the illness was due to misconduct: they have denied to insured persons the right to benefit in respect of a certain class of illness. "It is not necessary," said the witness "to inquire as to how they have contracted it" (*R. Smith, Q. 12,268*). Further, this society apparently considers it its duty to inquire into all cases of illness comprised in a vast group of diseases which may, in any conceivable circumstances, be due to misconduct (*R. Smith, Q. 12,286, 12,303, 12,337, 13,574*). Certificates for abortion are thus queried on the ground that abortion may be procured, and that the term "abortion" would not be used unless there was something more than an ordinary miscarriage (*R. Smith, Q. 12,480, 12,490-1*).

Certification in cases of Venereal Disease.

134. The question of what should be certified in cases of sickness due to venereal disease, whether contracted through misconduct or not, is one of extraordinary difficulty and presents many different aspects.

135. In the first place it is impossible to overlook the fact that there is a strong professional feeling that, in the case of a married woman, the fact that she is suffering from a venereal disease should not be disclosed to her owing to the fear, as it is expressed, of "breaking up the home," and this is supported by the fact that the disease may be due to infection from a person whose misconduct has taken place years previously. This view is not universal, and it may be doubted how long it is likely to be maintained (*Claydon, Q. 24,288a*) and how far it is consistent with the relations existing between a professional man and a person seeking advice.

136. Next come the cases where the medical practitioner finds nothing to displace in his mind a proper presumption of innocence. In these cases the statement of the venereal origin of the complaint upon the certificate must necessarily cause to the insured person a degree of suffering which is wholly disproportionate to any advantage which can accrue to the general scheme; and, whether this be so or no, we are convinced that the task of persuading the profession to make this statement in these cases would be an impossible one, even if it were justified ethically.

137. Thirdly come the cases of the sequelæ of venereal complaints contracted years ago. In these cases also the instinct of the professional man will inevitably prevent him from being a party to a disclosure which brings home to a man after many years the consequences of a long forgotten transgression. But in this matter we believe we are justified in expressing the opinion that approved societies generally would not interpret the misconduct rule as justifying them in refusing benefit, and that in taking this view they would be following the old practice of societies.

138. Lastly come what may be called the simple cases of venereal disease resulting from fairly recent misconduct.

139. It will be observed that these cases of diseases peculiar to women, and venereal diseases, differ from those previously described of heart disease and the like, in that, in the former two classes, what is sought to be avoided is communication to third parties, while in the latter class the danger lies in communication to the patient himself. There may be instances where this latter element may enter into these cases also, but we must not be taken as accepting any view which may be held that it is desirable as a general rule to conceal from patients their condition when they are suffering in this way.

140. If some system of dealing with the certification of these cases which will avoid suffering to the innocent cannot be found, it is clear that the reflex action of false certification which will inevitably ensue will break down the whole system of true certification. Before considering what means should be taken to this end, it is desirable to state the facts as disclosed in the evidence.

141. A doctor who, as in one case brought to our notice, certified that an insured person was suffering from influenza, when it was within his knowledge that he was suffering from gonorrhœa, makes himself a party to a deliberate fraud (*Rogers, Q. 15,506-7*). We are assured that the certificates held by societies must for this reason be regarded as unreliable, since cases of venereal disease in women will

probably be certified as something else, (*Cox, Q. 30,585*). "The doctor," we are told, "being of opinion that the disease is not due to misconduct, he does not give that name to it, because he thinks that it would lead to an unprofitable enquiry" (*Cox, Q. 30,588*). So long as doctors regard it as their business to determine whether the insured person should receive benefit (*Broster, Q. 37,576a*) they will be under a temptation to resort to devices for the purpose of blinding the society and thus smuggling a claim past that scrutiny to which a society must subject all claims. This in effect perpetuates the evil which it is sought to avoid. When a society discovers that influenza is regarded as a legitimate euphemism for gonorrhœa, it cannot be severely blamed if thereafter it considers it its duty to make enquiries into all certificates of influenza. It does not require a large percentage of euphemisms to produce in the mind of the official administering the society the feeling that any given certificate may be intended to deceive and to induce him to pay benefit where, with a full knowledge of the facts, payment should be withheld. A case in which a society enquired as to whether ulcers in the leg in a young girl were due to misconduct was characterised as "a typical case of gross impertinence" (*Cox Q. 30,613*). On the assumption that the certificate correctly stated the nature of the illness this would be so, but these enquiries are the inevitable result of the use of synonyms and euphemisms which necessarily rob the society of any assurance that the insured person is suffering from the illness stated on the certificate. Another case which emerged was that in which a society enquired with reference to a certificate of endometritis, whether the illness was due to misconduct and whether the insured person was pregnant (*Claydon, Q. 22,580; Oldham, Q. 37,654*). This "monstrous inquisition," we are informed, occasioned a great deal of indignation that an unmarried woman should be suspected because of a gynæcological complaint, and should be put down as possibly guilty of misconduct and being in a condition of pregnancy (*Claydon, Q. 22,584*). We are not concerned to defend these indefensible inquiries, but it is obvious that so long as doctors consider that they are justified in using synonyms and euphemisms, societies will consider themselves obliged to ask what may frequently be offensive questions. The difficulty cannot be met, as has been suggested, by subjecting the ingenuity of the doctors in finding synonyms to an extra strain (*Cox, Q. 30,615*). The only way of avoiding objectionable questions, and the only way in which the medical profession can purge themselves of their share in the responsibility for such questions being raised, is by inducing in the minds of the officials of societies administering the Act the conviction that the certificates received by them contain ungarnished the whole truth to which they are entitled.

Suggested Method of Certification in Exceptional Cases.

142. Turning now to the four classes of cases set out above, the last class, that of fairly recent misconduct, is in itself a simple one and need not be made the subject of sophistical refinements. Where the doctor thinks, as a reasonable man, that the disease is so caused, his duty is the simple straightforward one of certifying as a scientific man as to the state he finds. The final decision as to whether the illness so certified is due to misconduct is for another tribunal. He should, therefore, give a certificate stating expressly the nature of the illness from which the patient is suffering, and leave it to him to carry his claim to the society if he so desires. It is evident that in most cases, at least in the earlier stages of venereal disease, men do not claim benefit, partly because they are not in fact thereby rendered incapable of work, and partly because it is generally recognised that by most societies benefit is not payable in respect of illness due to misconduct.

143. The remaining cases, though we believe that they are far more important from the results which flow from them in any particular case than from the proportion which they bear to the total number of certificates, must in our view be dealt with specially. We suggest that in these cases, as in the cases of heart disease, cancer, and incipient insanity, the doctor should furnish to the insured person a vague certificate, and should simultaneously inform the society that the certificate does not fully disclose the truth, and communicate a precise statement of the truth to the medical referee. In these cases, as the dangers mentioned in the case of heart disease, cancer and insanity do not arise, the duty of the doctor towards his patient as regards disclosure to the latter of the nature of the disease will remain unaltered. We attach importance to the adoption of such a formula as will not indicate to the society whether the vagueness of the certificate is due to the fact that the patient is suffering from a

venereal complaint or from a disease peculiar to women on the one hand, or, on the other, from a complaint the precise nature of which is to be kept from him for fear of risk to his life or sanity. The object of this procedure is to induce the society to accept the certificate as proof of incapacity entitling to benefit, and therefore to refrain from making such inquiries as those which we have described and to remove any justification for such a course being taken. It will, therefore, be incumbent upon the profession to act with the strictest fidelity to these principles, since it cannot be expected that this necessary result should be obtained unless the confidence of societies generally can be restored. It is a great experiment made in the interests of insured persons, in the direction of accepting the doctors' invitation to consider the profession as on its honour (*Claydon, Q. 22,560; Oldham, Q. 37,756-7*), and can only be successful if frankly accepted as such by both sides.

Vague Certificates due to Slackness.

144. The other causes to which must be ascribed the prevalence of debility certificates are the incompetence and slackness of the doctor. We have quoted Dr. Rogers' observation that in writing down one of a group of names the doctors are taking the path of least resistance (*Rogers, Q. 15,414*). He further states that debility sometimes covers careless examination or a careless diagnosis or no diagnosis at all. "Debility is put down in the case of a great many young people who come in and say 'that they feel out of sorts, though there is nothing very much the matter with them, but they want a holiday.'" (*Rogers, Q. 15,419-21*). To the doctor with a crowded surgery, anxious to be finished with his work, the use of such a ready aid to diagnosis offers an immense temptation, for the word debility has this sovereign virtue that, inasmuch as all illness debilitates, a doctor who certifies every case as debility can at least never be accused of an error of diagnosis. Where a doctor has to see between 40 and 50 patients in an evening (*Rogers, Q. 15,422*) or where from 30 to 50 patients have to be disposed of in an hour (*Oldham, Q. 37,821-6*), there is not much time for a new case (*Oldham, Q. 37,826*), and we need not be surprised at the suggestion that the insured persons do little more than walk past the doctor (*Rogers, Q. 15,425*). To the man confronted by the necessity of arriving at a diagnosis in a minute-and-a-half such words as debility, anæmia, and dyspepsia furnish an easy method of putting something on the certificate which is not glaringly inaccurate, before passing on to the next patient. A case was adduced by a witness in support of the view that the first diagnosis is necessarily provisional and subject to revision later, but in reality it shows the dangers involved in relying on certain broad diagnoses. In this instance, a girl, who was a temporary resident, had been certified by her previous medical attendant as suffering from neurasthenia. On the second visit in the new area it was ascertained that she was suffering from polypoid growths in her nose (*Oldham, Q. 37,829-30*). The use of broad general terms not only enables the doctor to dispose of his cases expeditiously, but it also deludes him into the belief that, in applying a convenient label to the illness, he has diagnosed it, and in the comfort of this delusion he may for weeks continue in ignorance of the true nature of the illness which he is presumed to be curing. Against this temptation to slackness it is necessary for his own salvation that the doctor should raise barriers. If instead of taking refuge in vague generalities, he were to compel himself in his work of certification to state with the utmost possible precision the nature of the illness from which the insured person is suffering, he would find it a stimulus to the improvement of his whole professional work. There can be little doubt that the slovenliness of mind which shrouds itself in vagueness will generally result in carelessness in other aspects of a practitioner's work. Looking from the point of view with which we are more particularly concerned, there can also be little doubt that the judgment of the doctor on the question whether an insured person is or is not capable of work would be greatly sharpened, if he compelled himself to come to as definite a decision as possible with regard to the diagnosis in each case, and committed himself, in writing on the certificate, to the decision arrived at. It is already being recognised that the keeping of records under the Act tends to more careful work (*W. Duncan, Q. 17,686*), and the doctor who compels himself to be precise in his statements on the certificates will also find himself thereby compelled to be a more careful practitioner.

145. It is desirable to notice a method, stated to have been adopted by some doctors, of giving certificates to the insured person, and then warning the approved society that the member was not really incapacitated, and that benefit should not be paid. This practice cannot find a place in any proper system of certification, and is reprehensible both professionally and administratively (*Shaw, Q. 7161*.)

Variation in Certificates in Successive Weeks.

146. It is a necessary corollary to the doctrines set out in the preceding paragraphs that the successive weekly certificates given in the course of a long illness should each comprise, in the name of the disease stated upon it, a statement of the opinion held by the doctor at the time when that certificate was given as to the cause of incapacity. If, as is admitted, debility may be all that can be stated on the first examination, the doctor in later certificates should indicate the degree of further knowledge which he has obtained by attendance on the case. This is not universally the present practice. "If I started by saying it was debility, I should keep on with that," says one practitioner (*Burgess, Q. 20,238*). Another doctor perhaps indicates the reason for this persistence in the use of a vaguer term when science has arrived at certainty. "Once the diagnosis is down in a statistical return, the people at the other end would not thank you for altering it . . . to such an extent do they object, "that doctors are very chary about making any alteration" (*W. Duncan, Q. 17,171-2*).

147. Evidence from societies confirms this view of Dr. Duncan's. Thus one witness seems to suppose that where "in the course of two months the person was "certified "as suffering from three or four different internal troubles," it is extremely unlikely that she suffered from all of them, and that the doctor "in all probability had insufficient time at his disposal to investigate the case adequately" (*Gordon, Q. 2463-7*).

148. Another witness stated "We had so many different complaints, sometimes "four and five, and even more, on consecutive certificates, and I thought that if a "thorough medical examination had taken place, those complaints should either "have been stated at first or not stated consecutively, which they were . . . I "should have thought he would have had the name of the complaint against the "woman's case, and that the particular complaint he had in his book he would put "on the certificate" (*Willson, Q. 5901, 5903*).

149. Another witness stated, "I have a doctor here who certifies a different "complaint every week. The first week it is an 'attack of faintness due to pregnancy,' "the second it is 'influenza,' the third week it is 'debility,' and the fourth week it "is 'debility'." (*Appleton, Q. 11,671*).

150. The Committee, of course, have had no opportunity of investigating the clinical history of the patients actually referred to, and some of these instances may be also examples of carelessness in the original or subsequent examinations. On the other hand, the statements of the witnesses indicate that society officials do not fully realise either the grave difficulty of arriving at certainty in matters of diagnosis at the first examination (*W. Duncan, Q. 17,263; Layton, Q. 29,548; Parsons, Q. 31,387*), or the necessity for maintaining accuracy throughout the whole course of certification. It would be well that it should be realised that a variation in the name of the disease written upon a certificate points, in ordinary circumstances, rather to a conscientious desire to state the full truth than to carelessness, and that, where it is evidence of carelessness, it is valuable for that very reason.

151. We are the more inclined to lay stress upon this matter owing to the practice of some societies to be content, in illnesses extending over more than one week, with a certificate in the form of a continuation sheet, which does not require the doctor to make any statement as to the nature of the disease supplementary to that upon the initial certificate. The result is that in some cases quite trifling ailments are put forward as justifying sickness claims extending over a great number of weeks. If no attempt is made to obtain any further diagnosis than that stated on the initial certificate, no means exist of deciding whether the doctor is certifying mechanically without a proper examination of his patient, and is perhaps abetting an improper use of the funds, or whether, on the other hand, the trifling complaint originally diagnosed has been merely the precursor of a serious complaint which the practitioner has detected and is in course of treating. We therefore attach great importance to the exact name of the disease, so far as known to the doctor, being entered upon the certificate week by week.

Inaccuracy in Dating Certificates.

152. There is another point in which there is reason to believe that a strict adherence to formal truth has not been observed in the issuing of certificates. Numerous complaints have been received from approved societies that certificates have in certain cases been post-dated or ante-dated, and that certificates have been given without the patient being seen. In the matter of the dating of certificates societies cannot be held guiltless, as there is a considerable body of evidence tending to prove that in certain cases

representatives of societies urge the doctors for administrative, or less defensible reasons, to irregularities of dating (*Hodgson, Q. 25,836*). Of cases where patients are certified without having been seen two main classes may be noted, those in which the insured person has been ordered elsewhere for reasons of health, and those in which he is an inmate of a hospital or other similar institution. In these cases it is not sufficiently recognised that the certificate is a necessary piece of the administrative machinery of the society, and that it is a formal document on which the payment of money depends. In a system under which vast sums of money are paid out on the evidence of certificates signed by doctors, it is indispensable that the certificate should in all cases clearly indicate the date on which the practitioner signed the certificate, and the date on which he satisfied himself, as a result of examination, of the insured person's incapacity. (*Thomas, Q. 4640*.) In many of the witnesses who have appeared before us we have not found this conviction of the importance of adhering to a rigid system in the matter of certification, and it is clear that in certain cases practitioners are prepared to depart from the strict truth in order to comply with the requests of the society or to oblige the patient. In the case of one practitioner, of whom we were told, "the patient had gone a good way off, and came to him every fortnight. For the intervening week he did sign. There was no doubt that the patient was not fit to go back to work. I asked him why he did that, and he said it was to save the patient trouble" (*Bennett, Q. 16,341*). It is of the utmost importance that the certificate which in many cases is read by an official who has no personal knowledge of the doctor certifying, or of the person who is certified, should bear the same meaning to the official that it has to the doctor who signs. This cannot be the case if doctors do not regard themselves as bound to literal accuracy on the certificate issued by them. Some doctors consider themselves justified in giving certificates to patients seen "recently," a phrase of some pliability which is readily extensible from two or three days to a more lengthy period (*Claydon, Q. 22,948*). It is also suggested that the date put on a continuing certificate is immaterial (*Marsh, Q. 32,481*). All this inaccuracy leads to confusion and uncertainty in the minds of society officials, who have no means of knowing from the certificates the facts which the doctors intend to convey, and it also leads to more serious results, as in cases brought to our notice where insured persons have been certified to be incapable of work after death (*Jefferson, Q. 7212; Barber, Q. 28,968*).

Necessity of Weekly Certificates.

152. We are of opinion that it is essential to economical administration that the claim of the insured person should, in ordinary circumstances, be supported by a medical certificate, that it should be renewed once in every week, and that upon the occasion of each renewal the certificate should contain a precise statement of the nature of the disease. To this general rule, upon the importance of which we cannot lay too much stress, certain exceptions must be admitted.

1. In cases of long-continued disability, where the cause is apparent, such as a broken limb, where the weekly attendance of the practitioner may possibly not be required, and in cases of long-continued chronic sickness such as paralysis, where also frequent attendance may be unnecessary, the certificate may reasonably be given at intervals longer than a week. Any question arising between the medical practitioner and the society as to whether the medical aspect of the case justifies the use of this exception should be reported upon by the medical referee. We anticipate that societies would be content to abide by this report; but should this prove ineffectual the ordinary machinery of appeal to the Insurance Committee would remain. It is obvious that where this exception is allowed the necessity for visitation of the insured person by the sickness visitor is greatly increased.

2. Cases of persons undergoing treatment as in-patients in hospitals. We think that in these cases the doctor on the panel should not be required to certify that of which he can have no knowledge, and that the fact that the patient is undergoing treatment in the hospital, attested by a certificate given by some official of that institution, should be regarded as a sufficient support for the claim for sickness benefit.

3. Cases in which insured persons at the close of their illness are sent into the country by the doctor in attendance for the purposes of cure. In these cases the rules of the society will require that the intention to go into the country upon a medical certificate should, in the first place, be notified to the

society, and the certificate thus given might well be accepted as sufficient warrant for the payment of benefit for the time stated in it, so long as the time thus stated does not exceed a fortnight, or possibly three weeks. Where the stay is prolonged beyond the period thus indicated, a further certificate should be obtained from a doctor in the place of temporary residence. Many of these cases, however, of temporary absence from home will be covered by the statement made above as to persons not requiring constant treatment.

4. There remains the very difficult class of case where the patient of a practitioner on the panel is receiving treatment as an out-patient at a hospital. In these cases it may be impossible for a practitioner on the panel to certify the facts from his own knowledge, and possibly difficulty may occur in obtaining a certificate from any hospital authority competent to express a medical opinion. We cannot make any general recommendation for dealing with this matter, as the type of hospital in different areas, and the conditions of hospital practice differ widely. We would suggest therefore, that it should be settled locally in each area by arrangement between the Committee representing the practitioners on the panel, and the hospital authorities, and we would urge upon them that, in endeavouring to arrive at an adjustment in the matter, they should bear in mind the extreme injustice done to an insured person who is unable to obtain the necessary evidence for establishing his claim for benefit, and the fact that the primary duty to furnish him with that evidence rests upon the medical practitioners who have entered into arrangements for the treatment of insured persons generally, and receive remuneration therefor.

GENERAL CONCLUSION AS REGARDS MEN'S INSURANCE.

154. On a survey of the facts and tendencies set out in the preceding pages we are forced to the general conclusion, in the case of men's societies, that a large part of the excessive payments on account of claims for sickness benefit must be attributed to defects in the administration of the societies and to the carelessness and the inaccuracies of the medical profession. On the other hand those societies on which excessive claims have not been made would have shown a more favourable result but for these counteracting influences.

SPECIAL CONSIDERATIONS AFFECTING WOMEN'S INSURANCE.

155. In judging the experience of societies composed entirely or partially of women, other considerations must necessarily be taken into account. The data available for a computation of the premium necessary to cover the insurance of women were inadequate as the basis of any trustworthy estimate. The past experience of those friendly societies which have at any time undertaken the sickness insurance of women also shows that that insurance had peculiar difficulties of its own, and could be undertaken only under restricted conditions. The problem of supervising the behaviour during sickness of married women and the complications introduced into the problem of insurance by illnesses during pregnancy presented difficulties which, among other reasons, led to the comparative failure of the sickness insurance of women. Under the Act there is every reason to believe that except in certain societies, in which, for example, domestic servants or women of the semi-professional class have been aggregated, the amount expended in respect of women considerably exceeds the actuarial provision. Some of the causes to which this has been attributed may be enumerated.

CAUSES FOR EXCESS.

Ignorance of Principles of Insurance.

156. It has been repeatedly stated that the attitude of women towards insurance differs from that of men, and that there is among women a more wide-spread ignorance of what is involved in insurance. This is attributed largely to their previous lack of training in insurance and to the fact that the overwhelming majority of insured women have now entered into insurance for the first time. The words of one witness may be quoted as representative of many who professed this view. "A woman on the other hand would clearly feel, and does feel, that if she does not get out more than she has paid in she is losing something. I think that it is a result of

“ a misunderstanding of the principle of insurance, and a want of that education which a man has had for many years. It is her natural desire to do the best she can for herself ” (*R. Smith, Q. 12,457*).

Proportion of Ill-paid and Ill-fed among Women.

157. The higher rate of claims among women is also largely attributed to the fact that the total number of insured women includes a very large proportion of ill-paid and ill-fed persons, who have had little education in the care of their health, and who, in most cases, have no one to prepare the meal which should be ready for them on their return from work, and, therefore, live on unsuitable food (*Clayton, Q. 3105-7 and 3112; Gray, Q. 5606; Willson, Q. 5749; Wilson, Q. 41,003-8*).

Approximation of Sickness Benefit to Average Earnings.

158. There is the further fact that 7s. 6d. a week bears a larger proportion to the average woman's wage than 10s. does to the average man's wage, and that among a very large class of women engaged in poorly paid industries or in casual occupation, the benefit under the Act represents a sum as large as, or larger than, the average weekly earnings (*Shaw, Q. 6805; Daniels, Q. 13,832; Hollins, Q. 9100, &c.*) Over-insurance in the case of men generally arises from multiple insurance and thus, as has been indicated in an earlier paragraph of this Report, in many cases affects the more prudent and consequently the more healthy class of working man, but in the case of the women now referred to, large numbers, even when capable of work, are at all times in an unsatisfactory state of health.

Difficulty of Supervising Behaviour during Sickness.

159. The excessive sickness claims paid in the case of women, and above all, in the case of married women, are further increased by the difficulty of supervising the behaviour of women who are in receipt of benefit. The principle of sickness insurance has always been that the grant of benefit must be made under slightly deterrent conditions, and that certain restrictions must be placed on the freedom of the person in receipt of benefit if he is to be induced to return to work. The witnesses have all been impressed by the very great temptation under which a woman in receipt of sickness benefit labours to take part in ordinary household occupations (*Thomas, Q. 4194; J. Duncan, Q. 3702; Gray, Q. 5517*). In the case of men, enforced idleness often becomes irksome, and leads to a return to work, whereas the possibility of doing ordinary housework, or, at appropriate seasons, extraordinary housework, may induce women to stay on the funds longer than they otherwise would or may even retard recovery.

Economic Difference.

160. It has been suggested that a further important reason for excessive claims in the case of women arises from the economic difference existing between the average industrial man and the average industrial woman. A larger proportion of the male than of the female insured population have families, and often other relatives, wholly dependent upon them. Abstention from work not only results as a rule in the reduction of income, which is more serious in the case of persons so situated, because of their greater responsibilities, than it is in the case where there are only partial dependents or none at all, but in many cases, both among men and among women, jeopardises the situation of the sick person, and therefore places in peril the source of maintenance not only of himself, but of all dependent on him; and this again is a larger factor in the case of the insured men than in that of the average insured women. Having regard to the combination of all the factors, it is little matter for surprise if girls, and especially domestic servants of the poorer class, should be asserted by many witnesses freely to seize the opportunities offered to them by slight ailments to obtain certificates of incapacity, and to go home for comparatively long periods of rest and change (*Parsons, Q. 31,241-3*).

Illnesses Accompanying Pregnancy.

161. Another reason for the heavy drains made on the funds of women's societies is to be found in the illnesses accompanying pregnancy. The difficulty of providing insurance to cover periods of pregnancy has led in the past, among societies which undertook the insurance of women, to a very general exclusion of liability during

pregnancy. With regard to the precise rights of a woman to sickness benefit during incapacity caused by illness accompanying or due to pregnancy, considerable doubt has been found to prevail, and this doubt reflects itself in the varying action of different societies. Under the Statute, sickness benefit is payable to an insured person "whilst rendered incapable of work by some specific disease or by bodily or mental disablement." Pregnancy being a natural process is not in itself a disease, and therefore it is widely felt by societies that if a woman is disabled by pregnancy alone, if such an expression is permissible, she cannot thereby be entitled to sickness benefit (*Clayton, Q. 3336; Thomas, Q. 4289; Frith, Q. 8810; Hollins, Q. 9205; Lamcraft, Q. 9919; Poulton, Q. 10,656; R. Smith, Q. 12,401*). If, however, the incapacity is due to a complication of pregnancy (inasmuch as the incapacity is due to something abnormal, or pathological), the incapacity can be said to be due to a specified disease and benefit thereupon becomes payable (*Thomas, Q. 4660; Frith, Q. 8815; Lamcraft, Q. 9919*). The Committee are, however, satisfied that neither in theory nor in practice is it possible to maintain this distinction. In the view of the medical profession, it is extremely undesirable, in the interests of the woman and the coming child, that the woman should continue to work during certain stages of pregnancy, especially during the weeks immediately preceding confinement (*Routh, Q. 35,849*). If it is the doctor's opinion that the woman should rest from work, there is abundant evidence that he has little difficulty in finding a complication which, in view of the state of the law indicated above, would entitle the woman to benefit (*Hodgson, Q. 26,138; 26,147*). It may, however, be argued that it is not possible to define what is meant by the phrase "complication of pregnancy," and that a complication is largely a question of degree; there is a point, which is difficult to decide, at which it can be said that complication begins (*Bond, Q. 18,854-5*). In this view then a complicated pregnancy does not differ from an uncomplicated pregnancy in kind, but only in the degree to which certain symptoms are present. The distinction is further, not only one which breaks down in practice, but in the opinion of the Committee, is also indefensible in theory. If, as is stated, a normal state of pregnancy does not involve incapacity, where incapacity does exist there must be something present to cause disablement in addition to the pregnancy. This additional incapacitating cause may be merely a previous condition predisposing the woman to weakness, or it may be an undiagnosable factor which cannot yet be determined by the resources of medical science. It has been argued that, pregnancy being a natural process, the fact that certain women can go through the period of pregnancy without incapacity, while others are thereby incapacitated, and the further fact that in the same woman a pregnancy involving incapacity may follow a pregnancy in which incapacity is not so involved, is a clear indication that when incapacity does accompany pregnancy the incapacity is due to something, known or unknown, other than pregnancy. If this be so, the test to be applied in cases of incapacity during pregnancy, does not differ from that applicable in other circumstances. The only question to be asked is whether the woman is thereby rendered incapable of work. If she is, sickness benefit is payable under the Act, and the question whether the incapacity is, in popular language, "due to pregnancy" is irrelevant.

Confusion in Practice of Societies on this Point.

162. On the other hand, if this view were accepted it would be necessary to make it clear that incapacity is an essential element in the title to benefit. In present circumstances the facts that in the vast majority of cases women in the later stages of pregnancy are unable from physical causes to continue at industrial work, and that employers in many cases require women in the later stages to abstain from work without considering closely whether they are physically incapable, have led doctors, insured persons, and in some cases societies, to disregard the necessity for applying this criterion, and, acting in conjunction, to place pregnant women upon the fund without regard to incapacity at all. During the last few weeks of pregnancy, indeed, the fact of incapacity is in many cases so patent that a close consideration of each case has not been necessary. This, in the early months of the operations under the Act, led many to the conclusion that pregnancy alone, without any incapacity, is at any stage a title to benefit, and a pregnant insured woman finding that her neighbour in the like condition is receiving sickness benefit is unable to understand why that benefit is denied to her. As a natural result, some societies which have found pregnancy to be a great drain upon their funds, have been impelled to the opposite extreme, and have refused to pay any pregnant women whether incapacitated or

not (*Thomas, Q. 4289*); even, in some cases, when pregnancy is accompanied by some other disabling condition (*Jones, Q. 41,540*).

Prevalence of Sickness among Women.

163. Beyond these contributory causes to the fact that the sickness claims in the case of women exceed so greatly the actuarial expectation, there can be little doubt that the main cause of the excess lies in the fact that the incidence of sickness among women employed in industrial occupations generally is heavier than was anticipated, or could have been calculated, when the actuarial estimate was framed. This fact, which we regard as fully proved, is put in different ways by different witnesses. Thus one witness with a long experience of the management of a women's sick club says: "We are convinced that our sickness experience is right, that these girls ought to be paid and that they would have been much longer ill if they had not been paid," (*Gray, Q. 5501—see also Q. 5647-51 and Q. 5505*). A witness, who was inclined to attribute a considerable proportion of the excess to what is called malingering, on the part of women, agreed at the same time that "women are weaker than men" and that, "it would be natural to expect more sickness from women than from men." (*Sanderson, Q. 512-3*). Another witness of great experience says, "We had not realised that it would be so much. We thought that young women would be more healthy. We have found a great deal of anaemia and debility which we attribute to conditions of employment" (*Macarthur, Q. 14,116*), and the same witness says, that "probably if adequate treatment were forthcoming, the disparity between the men's and women's sickness rate would be less. I do not think that it would disappear, but it would be less (*Q. 14,448*).

164. On the medical side, the point is pressed by many witnesses. "I am under the disadvantage," says Dr. Bond "of only speaking locally, but with regard to the facts I have gained locally, there does seem to be great disparity on the side of women . . . I think the underlying basis is greater in the case of women. Whether it is absolutely level, and equal to the claims is another matter, but there is an underlying excess of actual want of bodily health, depreciation of health, in women as against men" (*Q. 18,723-4*). Again he says: "I should think that locally there is a considerable excess among women, except in certain classes of women; for instance, domestic servants . . . I am inclined to think that there is more sickness among women than among men, which has become revealed by the Insurance Act and that it is normal to the condition of the population under our industrial conditions. I am inclined to think that there is an underlying element of increased predisposition among women which has become modified to a certain extent by possible psychological reasons towards increased claims . . . I think the legitimate impression among medical men is that sickness incidence . . . is greater among women than among men" (*Bond, Q. 18,875-83*).

165. Another doctor states "there is not the slightest doubt that women, for some reason or other, are ill oftener than men; they suffer from more complaints than men. That is to say, they consult the doctor more, and they seem to be ill oftener" (*Bennett, Q. 16,510*). This view is supported by Dr. Rogers, who says, "I think from my experience, not as an adviser, but as a medical man, that certainly the female sex are more liable to ailments, especially among the working classes" (*Q. 15,953*). He excludes from the generality of this statement infants and young children, but speaking of women from 14 years upwards, is of opinion that they are more liable to disease (*Q. 15,958*). Dr. Broster, who has already been quoted with reference to the amount of real illness with which he has been brought into contact under the Act, associates this more with women and girls, and means, not women's diseases, but "general ill-health . . . all sorts of illness and disease" (*Q. 37,520-22*). Dr. Richmond, in commenting on the impression of low vitality made upon him by many of his patients, says that this "is much more pronounced in the case of the women" (*Q. 38,388*).

166. Some witnesses are inclined to attribute this excessive predisposition to disease in the case of women principally to conditions of past child-bearing. Thus one witness attributed it to the fact "that the health of married women is affected by their child-bearing functions" (*Macarthur, Q. 14,108*) and states that "the bulk of the diseases of the married women can be traced to special diseases, and troubles in connection with childbirth" (*Q. 14,196*). Dr. Bond, while accepting the view that this "is a big factor," points out that "there are also the beginnings of illness in the puberty period and the anaemias of young women" (*Bond, Q. 18,884*). Dr. Cox thinks that "a great many of them were evidently due to maternity sickness

“ and a great many of them may be put in the arrears of sickness class of cases where women have gone back to work too soon after confinement, and have got various chronic complaints which are now being discovered ” (*Cox, Q. 30,829*).

167. It may be safe to assume that some part at least of the excess of illness among women is due to these latter causes, but apart from them the evidence would appear to substantiate the allegation that women among the industrial classes are more liable to sickness than men.

Relation of Premium to Risk.

168. Assuming that women of the industrial classes, generally speaking, are more predisposed than men to sickness, it would still be possible that the premium fixed under the Act should be adequate to the benefit insured. The Manchester Unity figures which, as we have already pointed out, served, heavily weighted, for the calculation upon which the premium and policy money were based, took account of the varying conditions under which men worked, and may be taken to represent (especially having regard to the experience revealed by the working of the Act itself), a fair estimate for the average risk in the case of men. When we find, however, as we do in the case of women, that the results disclosed by experience exceed so greatly the provision made, it appears reasonable to attribute a large part of the realised excess to the fact that the data, even as weighted, were still insufficient to measure the genuine sickness risk of women.

GENERAL CONCLUSIONS AS REGARDS WOMEN'S INSURANCE.

169. In considering, therefore, the results in the case of women, we are forced to the conclusion that the experience exceeds the provision made under the Act.

Apart from the general causes already noticed in the case of men as tending to aggravate claims, which we find present also in the case of women, we attribute this result in the case of women to the following special causes, namely :—

- (1) special difficulties in relation to the sickness insurance of women, noted above ;
- (2) the difficulties and uncertainties arising in connection with pregnancy sickness, which have already been noted ;
- (3) the fact that the sickness of women is in excess of what was anticipated in the actuarial estimates for the Bill.

SUGGESTED REMEDIES.

WOMEN'S INSURANCE.

Special Difficulties.

170. As a cure for the first evil, we can only trust to the general education of the whole population, and especially of women, in the principles of insurance, and in especial to the further introduction of women in the active work of managing and administering the societies in which they are insured—a subject to which we shall find it necessary to recur at a later stage of this report.

Pregnancy Sickness.

171. As to the second cause, we are of opinion that it should be made clear that a woman disabled by pregnancy from following her ordinary occupation should be entitled to sickness benefit. We have already drawn attention to the difficulty of determining the extent of incapacity when it arises from this or some other cause cognate with it. As a means of lessening these difficulties, we suggest that in the last month of pregnancy, when it may be assumed, as a general rule, without further inquiry, that the woman should not go to her work (*Routh, Q. 35,849-51; Oldham, Q. 37,618*), it should be assumed that she is in fact incapacitated, and that an automatic payment should be made to her in respect of the last month upon the statement, supported by a medical certificate, that she is at that stage of pregnancy. Our evidence appears to show that during the previous months, incapacity may occur from causes connected with the pregnancy at any time, and may again disappear. In these stages of pregnancy, therefore, we suggest that a woman should be entitled to payment if certified to be incapable.

172. It is obvious that, if these recommendations are carried out, they will represent an extension of the benefits granted to women under the Act, and that the contributions of women will not bear the additional weight. It is therefore necessary

that if effect is to be given to them, money should be found from some source beyond that of the finance of the Act itself, and we are unable to suggest any such source except the National Exchequer.

173. So far as possible the grant made for this purpose should not be mixed with the general benefit funds of the societies. If the grant were paid to them in such a way as to expose them to a risk of loss in administering it, or enable them to make a profit upon it, the result would be to destroy the financial framework of the Act. We attach the greatest importance to the maintenance of the principle of surplus and deficiency set out in the Act itself, and further we are anxious that societies which have in the past found themselves in difficulty in, as they think, protecting the funds against an undue drain from this source, should not be impelled to husband this grant at the expense of the women whom it is intended to benefit. We therefore recommend that it should be a principle of the allocation of this grant that it should be so allocated as to cover the actual cost to which each society is put by the carrying out of the recommendation, without increasing the amount available in the funds of the society for any other benefit.

Excess of Sickness among Women.

174. As to the third point, the information available when the original actuarial estimates were framed did not allow of an accurate prediction as to the probable justifiable sickness claims of women. Had such an accurate prediction been available, it would have been possible to fix the rate of contribution and the rate of benefit at such a figure as was justified by the previous experience. If Parliament therefore could have known all the facts, they could have fixed the woman's contribution at a higher figure than 6*d.* or her benefit at a lower figure than 7*s.* 6*d.*, on the assumption that public opinion would have supported either a higher contribution or a lower rate of benefit. It is now obviously impossible to increase the contribution or to reduce the rate of benefit. It would be possible that a direct contribution from the State should redress the discrepancy. We are, however, unable to recommend this course. A grant from the State generally to the funds of women's societies would necessarily be unmeasured, and such a proceeding would not only impose upon the State an obligation which it could not reasonably be asked to face, but also would be inconsistent with the whole scheme of the Act, with self-governing societies, and with the machinery of valuation.

175. We therefore recommend that the difficulty should be met by increasing the amount of the premium paid immediately to each society in respect of each woman member. In present circumstances the weekly contribution of each woman member is divided into two portions, one of which flows to the society directly by way of premium, while the remainder is set aside for liquidating the sums credited to all societies by way of reserve values. We suggest that the proportions in which the contribution is so divided should be varied so as to produce financial equilibrium, with the necessary result that the sum available for redeeming reserve values in each year will be proportionately reduced. It appears to us to be of overwhelming importance that the solvency of societies generally should be secured immediately, even at the expense of delaying for a period, which we do not anticipate need be a long one, the time at which the benefits of the Act are extended generally, and we think that the whole insured community may justly be asked to submit to this postponement in the interests of the women, whose insurance is of importance, not only to the whole community of industrial people, but to each of the homes in which they form a part.

RESULTS OF SEGREGATION.

176. These statements and recommendations do not take account of a fact referred to in an earlier paragraph of this report, that the segregation into different societies of different classes of lives has produced in some cases an experience much above, in others an experience much below, what would have been a proper experience for a representative selection of the whole insured population. As has already been indicated, the effect of entrusting the administration of sickness benefit to approved societies, which are self-governing bodies, possessing the right of rejecting any applicant for membership on any ground other than the ground of age, has necessarily been that various approved societies have acquired certain marked characteristics of occupation, principle, or general position in life. A similar result is obtained in those cases in which a society operates only within a limited geographical area. In all

those cases the membership of the society does not represent the average of the whole insured population, on which the actuarial calculations were based, and the segregation of the various classes of the insured population into separate societies deflects the experience.

177. In certain fortunate societies, lives which are better than the general average of the insured population have been segregated. In others, the societies draw their membership from a trade which is unhealthy, or which demands an unusually high standard of physical fitness, or from an area where the general conditions of life are inimical to health. In so far as the favourable experience of one society depends on its having been able to restrict its membership to healthy lives, it is obvious that in a national scheme based on a conspectus of the whole population, its prosperity is purchased at the expense of some other society with a preponderance of excessive risks in its membership (*Sanderson, Q. 209; Macarthur, Q. 11,534; I. Wright, Q. 22,224*). The consideration of these cases is complicated by the fact that in many instances the unfortunate results which certain societies have experienced are in part due to mismanagement and lax administration. For the present it may be observed that in so far as the payment of excessive claims has been due to mismanagement or laxity, there is no reason why a society should be relieved of the results of its careless administration. It is, however, unreasonable that one society should suffer merely because it has admitted to membership a proportion larger than its due share of those lives which, it was assumed on the calculation originally made, would be proportionately distributed throughout all societies. It need, perhaps, scarcely be added that from the point of view of the member of such an approved society, who pays contributions at the same rate as a member of a more favourably situated society, the inequality is even more strongly marked.

178. It is sometimes argued that this result should be redressed by taking from those societies which produce surpluses on valuation such proportion as is due to the fortunate segregation and devoting it to the relief of those at the opposite extreme. Such a proposal might have formed part of the original scheme of National Insurance, though the difficulties of ascertaining the amount to be diverted would have been in practice almost insuperable. The contract which the Government has made with each approved society (and through the approved society with the members) contemplates that the society should have the benefit of any surplus, and that, where that surplus is due to a prudent choice of associates by the insured person, that prudent choice should result in monetary gain. It is on this principle that the flat rate of contribution and benefit has been defended; and if it were deleted from the Act, it is difficult to see by what arguments consistent with an insurance scheme the flat rate of contribution or benefit could be maintained. We must therefore reject this solution of our difficulty.

179. At the same time it appears to us that the total funds collected for the purpose of insurance may reasonably be used to redress the balance, leaving the surplus of each society to enure for the benefit of the members of that society at each valuation, while postponing for the whole insured population the period at which a general extension of benefits can be made. If Parliament should make any contribution towards this purpose, the effect would be to diminish the charge on the Sinking Fund.

MISCELLANEOUS MATTERS.

MACHINERY OF COMPLAINT.

180. There are certain miscellaneous matters to which we ought to direct attention. In the first place we are impressed by certain defects in the machinery provided under the Act, regulations, and rules of approved societies for dealing with complaints made by or on behalf of insured persons. It is essential that the machinery of complaints should be easily accessible and expeditious in its working. There is reason to believe that this machinery has not worked so efficiently as might have been desired.

Questions between insured Persons or Societies and Doctors.

181. With regard to questions arising between insured persons and doctors, or between societies and doctors, on the subject of the medical treatment given, or with reference to matters of certification, each Insurance Committee is required under the Medical Benefit Regulations to form a Medical Service Sub-Committee, consisting of

an equal number of representatives of the medical profession and of representatives of insured persons with an impartial chairman, to which all such questions are automatically referred. In the earlier period of its existence it may, however, be observed that this automatic reference applied only to cases arising between the insured person and the doctor, and, while it was open to the Insurance Committee to refer other cases to the Medical Service Sub-Committee, it did not become compulsory to refer to them cases arising between the society and the doctor until January 1914. Primarily the Medical Service Sub-Committee is concerned with questions arising in connection with the administration of medical benefit, but inasmuch as questions of certification now come within its purview, it is of importance to consider how far it plays, in the general working of the Act, the part for which it was designed.

Lack of Confidence in Medical Service Sub-Committee.

182. The society representatives who have appeared before us have repeatedly expressed a want of confidence in the machinery so provided, and an unwillingness to put complaints to the test. In some cases this may be due to a misapprehension of the functions of the Insurance Committee and the Medical Service Sub-Committee, as in one case brought to our notice, where the disinclination to invoke the established machinery was partly due to the fact that a complaint informally and orally made had not been followed up (*Appleton, Q. 12,092-4*). There is, however, evidence that society officials are unwilling to press cases in which they may have legitimate cause for complaint. Thus we are informed that they have a general idea that "the tribunal is so difficult of access, and it is so difficult to prove their case"; also in rural areas it sits a very long way off (*Hyner, Q. 19,156-60*). Another witness said with reference to the question of referring complaints to the Insurance Committee, "There is no good in taking matters up with them. I do not get much help from them . . . they seem to have a bias" (*Pimble, Q. 37,103-4*). The evidence of representatives of Insurance Committees further supports the view that there is an unwillingness on the part of societies to bring forward for investigation cases complained of. Thus in the case of one large town where 37 complaints had been dealt with, the witness expressed the view that undoubtedly there had been many other instances in which complaint could have been made, but that the approved societies seem to prefer to take these matters up with the doctor direct (*Parrott, Q. 20,968-9*). In another area the witness stated that, on being invited to produce the specific complaint, "they say that they cannot at the particular moment, and generally we do not hear any more about it" (*Lilley, Q. 34,055*). In the area of another Insurance Committee we were informed that, although the Medical Service Sub-Committee had been constituted, it had not yet met (*Morland, Q. 34,784*). In Lancashire there was no occasion for constituting a Medical Service Sub-Committee in 1913; but one has now been constituted, and at the time when evidence was received there were two cases ready to be referred to it (*Clare, Q. 36,359-62*). In Bradford only five complaints went to the Medical Service Sub-Committee in 1913. (*Flather, Q. 36,916*). In Leeds also, the number of cases referred to the Medical Service Sub-Committee has been insignificant, as it was stated, because, although complaints are made, there is extreme difficulty in getting the subject of complaint stated in writing (*Buckle, Q. 39,602*).

Powers and Responsibilities of Approved Societies in the matter.

183. On the situation of affairs thus disclosed certain observations may be offered. In the first place the Insurance Committees, as constituted, are to a very large extent in the hands of approved societies, if approved societies care to exercise their powers, since a majority of the members of the committee are representatives of insured persons appointed by approved societies. It is therefore idle for societies to represent, either by their words or by their actions, that they cannot expect to receive sympathetic consideration from Insurance Committees. Secondly, societies must realise that the evils of which they complain cannot be stopped, unless they are prepared themselves to push to a conclusion those cases of which they complain. In the course of our inquiry numerous cases have been brought to our notice which, on the facts stated have called for action, but in which the society has remained passive, apparently in the belief that no effective action could be taken. Many of the cases complained of are of such a character that if one case were carried to a conclusion other cases of a similar nature would be prevented at least in that area.

Societies complain of many irregularities on the part of medical practitioners, but, until they take the obvious steps to bring definite instances of the irregularities complained of to the notice of the Insurance Committee, they must be held in part responsible for the continuance of the evils of which they complain. Thirdly, the fear of offending the doctor, which it has been suggested operates in restraining the officials of friendly societies from bringing forward definite charges (*Parrott, Q. 20,982-3*) is a misplaced sentiment. In the interest of the doctors themselves it is desirable that the incessant undercurrent of grumbling should be definitely put to the test, and it is difficult to believe that most doctors would not prefer to have a definite charge brought against them, rather than to have their work constantly subjected to a fire of criticism, which can rarely be met, because it is so seldom definitely formulated.

Disputes between the Insured Person and his Approved Society.

184. The other aspect of machinery of complaint is that which relates specifically to sickness benefit. The manner in which disputes of this nature are dealt with is a matter to be determined by the rules of each society. From the final decision of the society, however it may be arrived at, there is under the provisions of the Act an appeal to the Commissioners. With this final step in the procedure of deciding a disputed claim we are not at present concerned, but in the internal machinery of societies for dealing with disputes, certain defects have been brought to our notice.

185. In the first place there is reason to believe that the fact that the insured person has the right of appealing in case of disputes to a tribunal established under the rules of the society has not sufficiently been made known to insured persons. Members of societies are frequently not in possession of a complete copy of the rules of the society to which they belong, and even where they are, it is represented that they do not trouble, or are not competent, to acquire from the rules a sufficient knowledge of the means provided for obtaining redress. This is of more importance inasmuch as there is ground for believing that in many cases societies act in a somewhat arbitrary manner in putting the insured person off the funds. To take a simple illustration, the Committee has found a considerable confusion of thought with regard to the position of an insured person who, while in receipt of benefit is found doing light work in contravention of the rules of the society. The insured person's title to benefit rests on his incapacity for work, and while he continues incapacitated he is entitled to sickness benefit. While he is incapacitated he is required by the rules not to do certain things, *e.g.*, he must not be guilty of conduct likely to retard recovery, he must not be out after certain hours, and in some cases he must not do any work. Violation of these requirements exposes the insured person to a penalty for breach of rule, but his title to benefit may remain intact. The fact that a person does work while in receipt of benefit may or may not furnish evidence to repel the allegation of incapacity, but the fact that a person has been found intoxicated, or out after hours, or knitting stockings, is quite compatible with his being still incapable of work in any reasonable sense of the term. Many societies, however, interpret a breach of the rule as to behaviour during incapacity as sufficient proof that incapacity has ceased, and accordingly in these cases refuse to pay benefit. Under the rules, however, the society is merely entitled to fine, or sometimes to suspend the insured person who, if incapacitated, is still entitled to sickness benefit. It is necessary that the insured person should be informed precisely in writing of the charge made against him, of the rule under which the charge is made, and the penalty which may be inflicted, and, upon the decision being arrived at, of the penalty actually inflicted, the number of the rule relating to appeals, the number of days within which an appeal may be lodged, and the official with whom it may be lodged. We think that every insured person should be supplied on admission with a copy of the rule book of the society free of charge.

Defects in the Machinery of Societies for Dealing with Disputes.

186. In the domestic machinery for dealing with disputes certain defects may also be noted. It has been represented that in some cases the requirement of a deposit, before a dispute can proceed to arbitration, acts as a deterrent to insured persons who would otherwise desire to prosecute their claims. Secondly, owing in certain cases to the infrequent meeting of the supreme body of the society, a final decision is not arrived at with that celerity which should accompany justice. In one case brought to our notice the possibility of a dispute remaining undecided from June until April of the following year was contemplated (*R. Smith, Q. 12,300*). A further

point in which amendment appears to be desirable is with regard to the procedure to be adopted in the case of disputes arising on the claims of women. Much evidence has been received of the unwillingness of women to serve on committees of societies in connection with the administration of the Act, and in many cases the committee which deals with claims consists entirely of men. Where, in order to support her claim, it is necessary for the claimant to appear in person before the committee, the knowledge that she will be confronted by a body consisting exclusively of men is in many cases certain to exercise a deterrent effect on the mind of a member inclined to press for redress of what she regards as a grievance. In one example brought to our notice an unmarried pregnant woman of 21 had, in order to prosecute her claim, to appear before a committee consisting entirely of men (*R. Smith, Q. 13,207*). Such a procedure is pre-eminently undesirable, and societies should take steps to guard against such possibilities by providing that there shall be an adequate number of women on each such committee. As an example, in one case brought to our notice, when women members appeal, they are met by a committee of women. "In many cases," said the secretary, "I am out of the room. I know in advance what the cases are. I give the particulars, and leave them to it" (*Daniels, Q. 13,927*).

187. There is some evidence that some societies have taken administrative action outside the sanction of their rules. Whether such action is in itself desirable or not, it is obvious that the strict procedure of the rules should be adhered to.

WOMEN IN RELATION TO THE ADMINISTRATION OF THE ACT.

Women's Part in Administration.

188. The difficulties of dealing with women's disputes are, however, but a part of a larger problem. The Act of 1911 specifically required that women in receipt of sickness benefit should only be visited by women. It appears to the Committee that the principle thus laid down by the statute is capable of extension, and that a smoother administration of the Act would be secured, if the claims of women under the Act were more extensively dealt with by women officials. If it is necessary that women's certificates should be handled locally by men in some cases, a feeling of unpleasantness would at least be avoided if steps were taken to secure that any discussion arising between the woman and the society should be conducted on their side by women. Where the claims are handled locally in the office, every care should be taken to narrow the possibilities of unpleasant gossip, to emphasise the confidential nature of the information upon the certificate, and to increase the sense of responsibility for silence upon those in charge, whether men or women. A doctor who had issued a certificate for "internal trouble" informed the Committee that "a day or two later the patient came and told me that when she took the certificate to the office, which was full of men, the man in authority had said, 'Oh, internal trouble; we know what that means. There will be inquiry made into this.' Of course he had no idea of what it meant, but the suggestion was offensive" (*Claydon, Q. 22,545*). Another witness, a secretary of a society, gave evidence to the effect that he found it a source of embarrassment in certain cases to have to deal with women's certificates. "When a woman brings a certificate with 'gastritis,' and I ask her, is she pregnant, she tells me to mind my own business. I was told that twice in one week" (*Jones, Q. 41,209*). Considerations of this character have led, in the case of one woman's lodge of the same Order, to the conduct of business being almost entirely entrusted to women. The clerks engaged in the office are women, and the witness added "whenever there is a question of a woman coming to the office, unless she specifically desires to see us, one of the women clerks sees her" (*Lingstrom, Q. 41,594*). The Committee are satisfied that the interests of the insured women members of societies require that women should take a larger part in the work of conducting the societies, and that women should be included in the membership of all Committees concerned with the administration of women's benefits.

Position of Women on Marriage.

189. It has been stated that considerable administrative difficulty, and confusion in the minds of all concerned, result from the provisions of the Act relating to the position of insured women on marriage. Witnesses have stated that they are unable to obtain satisfactory proof with regard to the question whether a woman on marriage continues to be employed (*Wigglesworth, Q. 18,017*). Where an insured woman on marriage declares that she is continuing to be employed, a society has difficulty in establishing the contrary, although it may have strong reason to believe that the employment is not *bona fide*, but merely continued for a week or two after

marriage (*Wigglesworth, Q. 18,396-18,410*). A considerable number of witnesses referred to the difficulties experienced in cases where, soon after marriage, a woman draws sickness benefit for an extensive period, and then, after confinement, intimates that she does not intend to return to work. "It is a very serious matter," said one witness, adding that the society was helpless with regard to the difficulty (*Peters, Q. 1882-4*). Another witness stated that they had had a fairly large number of these cases in which women had given up work only after confinement (*Thomas, Q. 4541*). "They seem to have got to know what they can and cannot do," said a witness who dealt at length with this question. "Even when they are intending to go back to work they will not tell you, except in extremely indefinite language. They say they may go back. Where are you then?" (*Daniels, Q. 14,951*.) Probably, however, the women themselves are often under a genuine misunderstanding as to their rights, and officials are unable to give precise information as to the options open on marriage. The Committee are satisfied that considerable confusion and uncertainty have arisen owing to the complicated nature of the provisions of the Act on this subject and that, as a result of this confusion, it has been possible for women in certain cases to draw benefit in consequence of a misunderstanding as to their status, while in others a failure to apprehend the section may have caused a loss of benefit. It is, as yet, too early to draw definite conclusions as to the effect of the section, either in the case of the individual women concerned, or on the action of employed married women generally.

THE ADEQUACY OF THE MEDICAL SERVICE.

Specialist Services and Institutional Treatment.

190. The extent to which claims for sickness benefit are made necessarily depends to a considerable extent on the adequacy of the medical service provided, and the Committee has endeavoured to elicit from the medical witnesses who have given evidence how far in various areas the medical treatment which is comprised in medical benefit is supplemented by the services of specialists or by institutional treatment. Under his agreement with the Insurance Committee a doctor is required to give such treatment as can, consistently with the best interests of the patient, properly be given by a general practitioner of ordinary professional competence and skill. When the treatment required falls outside the scope of medical benefit so defined, it is the practitioner's duty to advise the patient how the necessary treatment can be obtained. In general, the practitioners who have appeared before us have stated that they experience little difficulty in obtaining for their patients, where necessary, medical treatment outside the scope of medical benefit. In the case of Liverpool, one witness said that, "the consultants in the hospitals, physicians and surgeons, demand a note or card from the doctor attending the patient. Each person that comes up for out-patient treatment is asked if he is an insured person, and, if so, whether he has brought a note." He added that he himself had never found any difficulty in getting a case attended to (*Bennett, Q. 16,387-8*). In the case of operations there is no consideration whether the patients are insured or uninsured. (*Q. 16,389*). In the case of a Derbyshire practice we are told that "there has never been any difficulty. We have rendered all the assistance we can in order to get such benefit secured to them at the hospitals" (*W. Duncan, Q. 17,222-5*). A woman practitioner in South London stated that she had had no difficulty either in getting acute cases into hospital (*Burgess, Q. 19,990*), or in obtaining a second opinion where this was necessary (*Q. 20,007*). A practitioner in a Durham mining area stated that there was no difficulty in obtaining specialists' services where required, owing to the proximity to Newcastle (*Charles, Q. 20,528*). In Oldham it is stated that doctors can obtain free consultations on behalf of insured persons where necessary, and that, although sometimes an insured person may have to wait a little time at the infirmary, there is no practical difficulty in the way of his getting every sort of service that may be required (*Claydon, Q. 22,890-2*). A practitioner from Walsall stated that where a second opinion was necessary, it would be obtained from a friend or at the hospital; where institutional treatment was required, there was no difficulty in getting acute cases into the hospital (*Layton, Q. 29,392-8*). In a rural area in Cheshire it was represented that such hospital treatment as was necessary could be obtained in Liverpool (*J. E. Phillips, Q. 35,591-35,602*).

191. While many medical practitioners are thus able to secure for their patients, where necessary, the advantages of a second opinion and such institutional treatment

as may be required, there is, on the other hand, evidence that in certain quarters the hospital accommodation is inadequate and that sickness benefit claims are thereby increased. One witness specifically referred to the difficulty in securing proper institutional treatment in London for women suffering from diseases peculiar to women (*Richmond, Q. 38,542-5*). In Liverpool a similar complaint is made (*Bennett, Q. 16,399-405*). It is stated that in the county of Norfolk "there are no special facilities that I know of" for dealing with special women's diseases (*Scarlett, Q. 23,132*). Dr. Bond, of Leicester, tells us that there is a large waiting list of patients waiting to come into hospitals (*Q. 18,813*). Dr. Harrison, speaking of Haslingden, says that there is no hospital accommodation in his district at all, and that when cases are sent into Manchester "they have to wait a fair time if they want a bed" (*Harrison, Q. 38,202-5*). Among the witnesses who consider that there is no trouble in getting acute cases into hospital, it is realised that in less acute cases which have to wait, there may be an unnecessary drain on the sickness funds of societies during this period (*Layton, Q. 29,401*). In such cases sickness benefit is frequently paid during the period of waiting, and thus a drain is caused on the funds of societies which would be avoided if admission to hospital could be secured with greater celerity. Another witness states that "a very large proportion of the hospital accommodation in England is heaped " up in London, and to a lesser extent in the county towns and other places where " consulting physicians and surgeons like to congregate. That leaves large parts " of the country an enormous distance away from any hospital" (*Webb, Q. 27,059*). Without expressing any opinion on the adequacy or inadequacy of the hospital arrangements for the needs of the country, or on the extent to which medical benefit under the Act is in fact supplemented, so far as insured persons are concerned, by the gratuitous services of specialists—matters which may properly be the subject of another inquiry—the Committee are satisfied that in a number of cases delay in obtaining institutional treatment leads to a drain on the funds of societies which might be avoided.

Treatment of the Eyes and Teeth.

192. In two cases in particular it has been represented that the absence of treatment has been a contributory cause in the production of excessive sickness claims.

193. Firstly, it is stated that the absence of any provision for dental treatment—which, it may be observed, is a possible additional benefit in the event of a society realising a surplus—has produced much sickness of various kinds resulting in a drain on the sickness benefit funds, which would have been avoided had there been provision for the treatment of teeth (*Macarthur, Q. 11,503*). Inattention to teeth results in certain cases in prolonged gastric illnesses, and in a very large group of cases, on which benefit is being paid, no permanent cure is possible until the teeth have been attended to. Even in the event of decayed teeth being removed, there is ground for believing that there is no sufficient means by which artificial dentures can be supplied to insured persons, either gratuitously or at a reduced cost.

194. A second class of cases which has contributed to the production of avoidable sickness claims is those of diseases of the eye or defects of eyesight. In many cases where insured persons are incapacitated, it is contended that the underlying cause of the illness cannot be removed until this defect has been remedied, and, where necessary, spectacles have been supplied. Here again, even if the necessary treatment could be obtained gratuitously from the hospitals or otherwise, there is no method at present by which in necessary cases spectacles can be supplied to insured persons who require them. There is thus ground for believing that in the event of adequate treatment of the teeth and the eyes being provided, together with such dentures and spectacles as may be required, many insured persons who remain for a long period on the funds would be enabled to return at once to work.

REMUNERATION ON CAPITATION AND ATTENDANCE BASIS.

195. There have been allusions in the evidence to another point in which the administration of medical benefit bears on sickness benefit, viz., the relative advantages of remunerating practitioners on a capitation and on an attendance basis. Owing to the fact that the attendance system is in operation in two areas only—Manchester and Salford—it is almost impossible to obtain any comparison from which a definite

conclusion as to the relative advantages of the two systems can be drawn, since many causes, of which this may only be one, may combine to produce a difference between one area and another. Many of the witnesses also have had experience, since medical benefit came into operation, of only the one system operating in the area with which they are familiar. It would therefore be unfair to state a conclusion on the subject without a detailed enquiry. It may, however, be observed that the general view of those who have given evidence on this question is that a system under which a doctor is financially interested in increasing the number of attendances given tends to produce longer claims for sickness benefit, and that this tendency, inherent in any system of remuneration by attendance, is intensified in the areas under consideration by the peculiar facilities offered for the transfer of an insured person from one practitioner to another. (*R. Smith, Q. 12,640; Barrand, Q. 4971; Hollins, Q. 9258; J. Duncan, Q. 3714; Jefferson, Q. 7228.*)

APPLIANCES.

196. Our attention has also been drawn by several witnesses to the possibility of excessive sickness claims arising through the inability of insured persons to obtain certain appliances, not included in the list of appliances prescribed under section 8 (1) (a) of the National Insurance Act, 1911. It has been urged that it is illogical that an insured person should continue to draw sickness benefit when, by the provision of a suitable appliance, he might be enabled to return at once to work (*Macarthur, Q. 11,503*). It is clear that in certain cases the provision of an appliance might enable an insured person to return to work at an earlier date. It has been suggested that a certain discretion might be allowed in the matter (*Macarthur, Q. 11,503*), or that where appliances beyond those in the list are required, the case might be submitted to the Commissioners for approval (*Webb, Q. 27,106*). The appliances other than those in the prescribed list which, it is represented, are most urgently required are trusses and spectacles, but the desirability of providing certain other appliances has also been urged (*Roberts, Q. 30,005*). We have not felt justified in considering this question in detail, but it may be observed that the adoption of any scheme to include in the list of appliances, to be supplied as of right, articles of the nature indicated would be beset by considerable administrative difficulties, and it would be necessary that safeguards should be instituted to prevent abuse.

THE INSTITUTION OF A NURSING SERVICE.

197. Representations have also been received from various witnesses to the effect that a considerable economy in administering the sickness benefit funds of approved societies would result from the institution of a system of nursing of insured persons. The Medical Secretary of the British Medical Association expressed the view that the provision of nursing would very considerably improve the medical service (*Cox, Q. 30,965*), and that in many areas a doctor at present experiences difficulty in obtaining a nurse (*Cox, Q. 30,967*). Similar evidence was received from one of the witnesses who appeared on behalf of the Association of Registered Medical Women (*Claydon, Q. 24,685-6*). One witness considered that inadequate nursing "is responsible for a great deal of our present excessive sickness benefit claims" (*Macarthur, Q. 11,503*), and the evidence of those engaged in connection with the work of nursing shows that in many cases the period of incapacity would be lessened by an efficient system of nursing (*Puxley, Q. 36,776*). In the event of a system of nursing being instituted it is desirable that the service so established should be brought into intimate relation with the medical service now existing. It is essential that in any such scheme the nurses should work with the doctors (*Puxley, Q. 36,808*). A medical witness suggested that the scheme should be administered by Insurance Committees (*Bond, Q. 18,614*) and this view was supported by a witness speaking on behalf of nurses who emphasised the fact that the relationship between the doctor and the nurse must not on any account be interfered with (*Puxley, Q. 36,807*). It hardly requires argument that a quicker return to health would result from the institution of a system of nursing in serious cases, and this appears to be recognised by section 21 of the Act of 1911, though unfortunately no funds are available for bringing that section into effective operation.

MEDICAL REFEREES.

Necessity of producing a firmer attitude on the part of Doctors with regard to Certification.

198. In a previous paragraph of this report reference was made to the desirability of providing a second medical opinion on the question of the insured person's incapacity for work, on the grounds, firstly, because in a certain number of cases the doctor may be in a state of honest doubt, and may desire to be supported in his view by another practitioner, and secondly, because as has already been indicated, there is evidence of hesitation on the part of practitioners to declare persons off the funds owing to the fact that proper action by the doctor may result in financial loss to him. The Committee is satisfied, in view of the evidence, that it is necessary that immediate steps should be taken to produce a firmer attitude on the part of the medical profession with regard to improper claims for sickness benefit. The tendency to issue certificates in order to comply with the wishes of the insured person cannot be dissociated from the failure of many of the practitioners to realise their obligations to the whole machine of which they form a part. We have seen that it has been repeatedly urged by representatives of approved societies that doctors do not feel their responsibility towards, nor manifest that interest in, the State scheme of insurance which was formerly in certain cases felt towards the friendly society of which they acted as the medical officer. The Committee have not, however, found any strongly expressed desire on the part of representatives of approved societies to regain what was popularly known as the "control of the doctor." Large classes of approved societies have no desire to undertake the administration of medical benefit, and even among those societies which have in the past provided it, while in certain cases the passing of former conditions is regarded with regret, there is little evidence of a universal desire to return to them. One Secretary of an affiliated order indeed expressly stated that he did not want the old system back, and that he had not heard much reluctance expressed. "There may have been a lot of talk" he added, "but when you get to the insured persons themselves, you find that they prefer the choice of doctor, rather than being tied down to a particular doctor" (*Johnson, Q. 26,448-50*). Another witness, who stated that he had done his best from the introduction of the Bill to maintain the control of the doctor, now expressed the view that, "There is an entirely new set of circumstances created, and I do not think that the societies could cope with it" (*Scarlett, Q. 23,112*).

Opposition of Doctors to restoration of Friendly Society "Control."

199. It is also abundantly clear from the evidence of medical witnesses that any attempt to induce a better sense of responsibility in the practitioners on the panel by placing them under the control of approved societies would meet the most strenuous opposition of the medical profession. Dr. Cox, in speaking of the question of a *rapprochement* with approved societies, made use of the following words.—"In our evidence we state that the association will be glad to do anything to help on a *rapprochement* of the two bodies concerned, only we give the warning note, and I must repeat it, that that is not at all likely to happen as long as any attempt is being made by the approved societies to get the administration of medical benefit into their own hands, and if approved societies made it perfectly plain that the whole demand was gone, then I believe that *rapprochement* would be very much easier. Our men are very highly suspicious that the approved societies want to get back something like the old friendly society system, under which they hope to control the doctors. The doctors will not touch that system—I can say that perfectly definitely; whatever else the profession may be divided upon, they are absolutely united in that. Therefore, there is no good talking about getting the two bodies together as long as there is any suspicion that that is going on" (*Cox, Q. 30,109*). While it has not been suggested that a remedy for the difficulties indicated in an earlier part of this report, could be found in the return to a system of administration of medical benefit, analogous to that in force in the past history of friendly societies, the Committee cannot conceal from themselves the fact that present conditions of certification are defective, and they look for a remedy in the establishment of a system of medical referees, in support of which they have received a large body of evidence both from societies and doctors.

Method of Appointment.

200. If any such system of medical referees is to be established the first question to be considered is by whom they should be appointed. There are three possible bodies in whom appointments can be vested, namely, the approved society, the Insurance Committee and the Insurance Commissioners. In regard to the first of these possible methods of appointment, it should be noted that most of the old friendly societies have in the past made provision for obtaining the opinion in doubtful cases of a medical practitioner other than the practitioner normally in attendance on the patient, and this second medical practitioner has, in effect, discharged the function of a medical referee. Further, most, if not all, approved societies have in their rules expressly reserved power to require an insured person in receipt of sickness benefit to present himself for medical examination to such medical practitioner as the society may designate. This power has, in fact, been used to a not inconsiderable extent by certain approved societies.

201. Serious objections are, however, felt to any solution which depends on the appointment by approved societies of a permanent referee, or of the selection by a society of a medical practitioner to act as referee in any particular case. A society with scattered members cannot, under present conditions, efficiently select a medical practitioner to act as referee in the case of members resident in areas of which the officials of the society have no first-hand knowledge. In the words of one witness "it is a difficult problem. We have simply to hunt up the names in the directory and we choose the doctor with the best qualifications We look at the qualifications. Practically we choose the first well qualified doctor we come on" (*Gordon, Q. 2972-4*). Apart from this difficulty there are graver objections to the appointment of referees by societies. It has been very generally contended that there are two conditions which must be satisfied before any system of medical referees can inspire confidence and yield satisfactory results. In the first place, it has been repeatedly urged that the referee should be appointed in such a manner that he shall be in the fullest sense of the word "independent." It is essential that there should not be the remotest ground for a suspicion arising in any quarter, that the referee holds a brief on behalf of either party interested in his decision. It is of great importance that he should have no motive other than a desire to give a true judgment in all cases brought before him, and, as his utility necessarily depends on the confidence reposed in his judgment, it is essential that there should not be a remote possibility of his being regarded as other than impartial (*Oldham, Q. 37,726*). Secondly, it has been represented that the referee should be so selected that he shall not be in competition with practitioners on the panel, in any work in which he may be engaged apart from his duties as referee, and that any relation which he may have with other practitioners shall not affect the discharge of those duties.

202. Judged from this point of view, the appointment of referees by societies furnishes no satisfactory solution. There is a danger lest a referee so appointed may be regarded as having been appointed, not to give an impartial decision, but solely to safeguard the funds of the society. Apart from the question of the impartiality of his judgment in fact, there would be a danger that the suspicion would arise that he might not be impartial; that having been appointed by the society, his verdicts would be biassed in favour of the society which had appointed him, and against the insured persons whom the society suspected of making improper claims on their funds. Further, the medical practitioners chosen by an approved society to act as medical referees are in many cases necessarily practitioners on the panel who are therefore in competition with the practitioners whose case is referred to them, and from the point of view of the medical practitioner any such system is open to grave objection. There is a consensus of opinion among the witnesses of all classes of approved societies who appeared before us (with one or two exceptions) against the appointments being vested in the societies (*Peters, Q. 2034, 2102; Thomas, Q. 4517; Barrand, Q. 4896; Pearce, Q. 6188; Jefferson, Q. 7925; Lamacraft, Q. 10,076; R. Smith, Q. 12,871; Daniels, Q. 13,942; Wigglesworth, Q. 18,010; I. Wright, Q. 21,989; Pimble, Q. 37,142, &c.*).

203. A similar consensus of opinion, though perhaps less strongly expressed, has been found among witnesses of all classes against the proposal that referees should be appointed by the Insurance Committees. This feeling appears to be based on various grounds. In the first place, it has been suggested that in order to avoid local pressure and the suggestion of local influence the responsibility of appointing referees should be entrusted to a more central body (*Scarlett, Q. 23,100*). In the second place,

it is felt that the officers so appointed would enjoy a better status and would command greater confidence if they were appointed as servants of the central rather than of the local body, and that in virtue of this higher status a better class of practitioner may be willing to accept service (*Cox, Q. 30,321*). Thirdly, it is argued that if referees are to be appointed so that their services shall be universally available it is desirable that there should be a possibility of grading and co-ordinating the service which would not exist in a system of referees appointed by local bodies. The difficulty involved in a system of referees appointed by Insurance Committees would also present unnecessary complications in those cases where a referee might with advantage serve for two or more adjacent areas.

204. The reasons advanced in the two preceding paragraphs have led to the advocacy by the overwhelming majority of witnesses of the appointment of referees by the Insurance Commissioners. (*Scarlett, Q. 23,099; Paget, Q. 24,199; Devis, Q. 40,014; Hyner, Q. 19,278; Marsh, Q. 32,508, &c.*) From certain medical witnesses, however, the suggestion has been advanced that while the appointment should rest with the Insurance Commissioners there should be vested in the local medical committee, or in some body representative of the profession locally, a certain power of suggestion or recommendation (*Bennett, Q. 16,849; Hodgson, Q. 25,796-9*). It has been repeatedly emphasised that a medical referee to be successful must be acceptable to the general body of practitioners on whose cases it will be his duty to express an opinion, but it appears to the Committee that the attempt to secure this by vesting the right of appointment in one body on the recommendation of another would in practice lead to much embarrassment and difficulty. The Committee are satisfied that the body to whom is entrusted the responsibility of appointing referees, to whom referees will be responsible, and by whom, if necessary, they will be dismissible, should have an absolute and unfettered responsibility in the matter.

Whole-time Medical Referees.

205. The obvious method of procedure, to secure a rigid fulfilment of the conditions set out above, would lie in the adoption of a universal system of full-time referees to each of whom could be entrusted a sufficiently large district to keep him fully occupied. Under such a system the referee would be exclusively an official; he would not in any sense compete with practitioners on the panel in any part of their work, and his professional relations with other practitioners would be defined by the conditions of his appointment. Such a system would thus secure complete independence on the part of the referee, whose appointment would definitely mark him off from other practitioners, and render him incapable of having any professional relations with panel doctors of a kind which could, under any circumstances, be regarded as affecting the discharge of his duties (*Oldham, Q. 37,726*). Two objections, however, have been urged against the appointment of whole-time medical referees—the first a professional, the second an administrative objection.

The Professional Objection to Whole-time Referees.

206. The objection urged against the appointment of whole-time referees by certain representatives of the medical profession would, if admitted, be a valid argument against such appointments being made either now or at any time hereafter. Referees appointed under these conditions would, it is contended, at once begin to lose those qualities in virtue of which they had been appointed. Their activity would be restricted to the examination of a number of cases at a particular stage, and to the expression in each case of an opinion as to whether or not the patient was capable of returning to work. The referee would have no knowledge of the history of the case, and no responsibility for its future treatment. He would have no opportunity of following the case through its various stages, and would thus be debarred from the exercise of his profession in those ways, which, it is suggested, can alone keep unimpaired the diagnostic judgment of the practitioner. Whatever might be his qualifications on appointment, he would rapidly become inferior from a professional point of view to the doctors whose cases would be referred to him; his theoretical knowledge would become out of date, and from want of practice he would lose his professional skill. In time he would thus inevitably lose the confidence of the doctors on whose cases he would be called upon to express an opinion. The very conditions under which full-time referees would hold their appointments would thus, in the opinion of those who hold this point of view, debar them from efficiently performing the duties which they

would be appointed to discharge. A further objection to the appointment of a full-time referee is that in the case of an officer appointed under these conditions there would be a danger lest, his mind being continually directed to one point, he might thereby become rigid and exercise his functions too harshly as regards insured persons. In the words of one of the witnesses who most strongly emphasized the view that a divorce from active practice would be detrimental to the efficiency of the medical referee, "immediately a medical man becomes a whole-timer, it does not matter what he was before, he promptly loses the confidence of his fellow practitioners" (*Hodgson, Q. 25,789*); and another witness in the same sense stated, "I believe that only a man constantly engaged as an ordinary general practitioner is competent to do it" (*Roberts, Q. 29,846*).

207. The view thus expressed is not, however, the predominating view advanced in the evidence received by the Committee. The prevailing opinion of the representatives of approved societies as well as of the medical profession is that the most advantageous system of referees would be obtained by the appointment of medical practitioners devoting their whole time to the duties of their office. On this point much weight must be attached to the evidence of Dr. Cox, who, on information gathered from the local medical committees throughout the country, stated that the preference for a whole-time referee appointed by the Commissioners was as nearly the unanimous feeling among the medical practitioners generally as was likely to be obtained in any profession (*Cox, Q. 30,313*). Dr. Cox, while realising that there may be a danger involved in setting apart certain medical practitioners exclusively for the purpose of acting as referees, does not accept the extreme view indicated above, that a definite official appointment would exercise so blighting an influence on a conscientious and capable medical practitioner, that his powers would be gradually yet inevitably atrophied. On this point his expression of opinion may be taken as representative of the class of practitioner which recognises the danger involved in full-time service, but does not consider them insuperable. "There is a distinct risk," he stated. "After all it is a matter of balance of advantage. I think a man of that type would be constantly coming into contact with difficult cases and with all kinds of medical men, and would hardly fall into the position of a mere detective. I am inclined to think that he would not be so liable to fall into the position of a mere official" (*Cox, Q. 30,323*).

The Administrative Objection to Whole-time Referees.

208. The administrative objection to the immediate appointment of a system of whole-time referees is in certain respects a more serious one. If an efficient system of medical referees is to be established, it is essential that the service of a medical referee should somehow be made available in the case of insured persons wherever they may be resident. It is not at present possible to estimate with any degree of accuracy the extent of the work to be performed, but if such a service is to consist exclusively of whole-time officers, it is clear that a considerable number will be required (*Cox, Q. 30,317*; *Belding, Q. 34,206*; *J. E. Phillips, Q. 35,558-62*). Difficulties of locomotion alone would probably prevent a referee adequately discharging the duties of his office for an area greater in extent than that of a medium sized county, though it might be possible in many cases to group county boroughs along with the counties or parts of counties in which they are situated.

209. There is, however, a difficulty involved in the fact already indicated above that the extent of the problem has not yet revealed itself, and as it is possible that an efficient system of referees might, when called into being, reduce the amount of work for the referees to do, the number of cases sent to the referees in the earlier stages of the existence of a scheme might be considerably reduced when the scheme had been in operation for some time. The proposal that a complete system of full-time referees should be appointed may thus be exposed to the criticism that if sufficient referees are appointed to deal with the problem now, this number will be found excessive at a later stage.

210. Further it would be necessary that the referees so selected should have had considerable experience of general practice and should be men of high standing in the profession (*Harrison, Q. 38,111*; *Clarke, Q. 39,290*; *Rogers, Q. 15,556*; *Bennett, Q. 16,665*). It appears to the Committee that there might be some considerable difficulty experienced in any attempt to establish at once a service requiring the withdrawal from active practice of so many practitioners of high standing, and there are grounds for apprehension lest the instantaneous selection of a sufficient number of

whole-time referees might involve the appointment of some men not possessing in full measure the desired qualifications.

211. The difficulty of immediately setting up such a system is the greater that the Committee think it essential that, wherever practicable, women practitioners should be among both whole-time and part-time referees, and that all cases in which the women concerned desire it should be referred to them (*Willson, Q. 5797*).

Systems of Part-time Referees.

212. On the other hand, a system of part-time referees, which has also been suggested, involves the danger that the other duties undertaken by the practitioners acting as referees may conflict, or be regarded as likely to conflict, with the discharge of their duties as referees (*Cox, Q. 30,812; Belding, Q. 34,209*). If a part-time referee is appointed to act alone, the Committee are satisfied that unless in very exceptional circumstances he must not be a practitioner on the panel for the area in which he is referee. The same consideration may be cogently urged as a reason for debarring from acting as referee any general practitioner in practice in that area since such a practitioner would necessarily be competing against the panel doctors in his area in respect of their private practice. If these cases should be eliminated as impracticable there remain three possible methods of appointing part-time referees:—

(1) A number of panel doctors for the area acting on a rota might serve in that capacity; (2) he might be a consultant in the area in which he is acting as referee; and (3) he might be a practitioner on the panel (or a general practitioner not on the panel) for an area other than that in which he acts as referee.

213. With regard to the first of these suggestions, which is a development of a scheme proposed by Dr. Layton, of Walsall, who, however, contemplates that the panel practitioner in attendance shall be one of the board, it has been pointed out that whilst a panel doctor would oppose any suggestion that his case should be referred to another panel doctor for the same area, the same objection would not be urged against a proposal that his case should be referred to a committee of three acting in a rota, because in the words of Dr. Layton, "we should all be on it" (*Layton, Q. 29,313*).

214. It may be observed that the scheme depends on the active and willing co-operation of the panel doctors which it might not always be possible to obtain. Where, however, this willing co-operation can be secured, the doctors might be prepared voluntarily to act on a rota for their own defence in cases in which it appeared to any member of the profession that an insured person ought to return to work. In cases where the further examination is required by the approved society, it would apparently be necessary that a fee should be payable (*Layton Q. 29,456, 29,727*).

215. Proposals for a rota system were not put to any of our society witnesses, and we do not know how far such a plan would receive their confidence.

216. The second proposal is that a consultant resident in the area should be selected (*W. Duncan, Q. 17,722; Hogarth, Q. 28,458*). A referee from this class of practitioner would be free from any objection based on the grounds that a referee should not in any case be in competition with doctors on the panel. It is, however, possible that his relations to doctors on the panel in his capacity as consultant might be regarded as liable to affect his decision as referee. It is possible that a consultant of good standing would require to be remunerated at a rate which might be prohibitive, and that a younger consultant might not sufficiently command the confidence of the profession. The solution of the problem dependent on the appointment of the referee from the consultant type of physicians is also one which is adapted only to certain areas and certain conditions, and its range of applicability could with difficulty be extended from the area of a county borough to the area of a county. In the event of a scheme on these lines being adopted, it would probably be necessary in all cases to bring the insured person to the referee, as it is improbable that a consultant could, consistently with his other duties, accept an appointment which would involve his visiting the insured persons either at their own homes, or at convenient centres throughout the area. Further, practitioners of this type are not available in every centre of population, and therefore in many cases it would not be practicable to establish a service of referees for a large county by increasing the number of referees by the appointment of one in each considerable centre of population.

217. In the third proposal for establishing a system of part-time referees, the impartiality and detachment represented as necessary in a referee would be secured by selecting a practitioner to act as referee in an area other than that in which he is engaged in practice. In such a scheme as this, no restriction would be imposed on the available field of selection, and it would be possible to choose a general practitioner of good standing on or off the panel. Under this system, in a county borough of moderate size, the referee would be chosen from the adjacent county. In a county or county borough, which is sufficiently large to preclude the possibility of practising throughout the whole area, it would be necessary to divide it into a convenient number of districts, A, B, C, &c., selecting a practitioner in A to act as referee in B, a practitioner in B to act as referee in C, and so on. The field of selection would also, of course, extend to practitioners in adjacent counties or county boroughs. This is the scheme advocated by Dr. Hodgson, of Salford, and is based on the desire to secure as referee a doctor who has not merely the experience and the knowledge of a general practitioner, but who has in his everyday life acquaintance at first hand with the difficulties that a panel practitioner has to encounter. As in the last case, however this solution is only applicable to certain areas, as difficulties of locomotion and the consequent loss of time entailed would render its application impracticable outside large towns and comparatively densely populated areas. As Dr. Hodgson, who suggested the scheme, admitted, "It would work 'in large towns . . . in a small country town it would not work' " (*Hodgson, Q. 25,786*).

Necessity of Referee remaining in touch with Medical Work.

218. Whatever system of appointment of medical referees be adopted it is in our view necessary that every care be taken to avoid the danger pointed out above, that the medical man being employed solely in acting as a judge between an insured person and his society should lose touch with the active problems of his profession (*Bond, Q. 18,561*). It is therefore desirable that in any event the medical referee should be required in doubtful cases, not only to give an opinion as to the fitness for work of the person referred to him, but also, if required, an opinion as to the nature of the disease or injury, and as to the course of treatment most likely to be beneficial. We have already drawn attention to the necessity for considering the limitations at present imposed by the Act and the Regulations upon the scope of the medical treatment provided. Our terms of reference preclude us from a detailed examination of this matter, and we venture to suggest that the matter should form the subject of investigation by another committee. Any such committee, if appointed, will in all probability find it necessary to investigate the question of medical benefit in all its bearings, and may, as a result of that investigation, find it possible to recommend the institution of a system more extensive than that now in operation. If so, it would appear to follow that there should be an intimate connection between the persons now appointed to fulfil the functions of referees and that system. Thus as, if anticipations are realised, the duties of those now appointed as referees diminish, there would arise other duties for them more directly connected with the cure of disease. We would, therefore, recommend that in any appointments now made of whole-time referees, regard should be had to the probability of a diminution of purely referee work and of the necessity of appointing such persons only as can find a place in an eventual system of extended medical treatment.

Advantages of Flexible Scheme.

219. On a review of the evidence presented to them, the Committee are satisfied that in order to secure the efficient administration of sickness benefit, it is necessary that medical referees should be appointed at as early a date as practicable, and that the arrangements to be made in appointing them should be so framed that it shall be possible for an approved society to submit for the decision of a referee the cases of all insured persons wherever they may be resident. On a careful consideration of the various systems of referees suggested, the Committee are of opinion that, in view of the difficulties inherent in any scheme for the employment of part-time referees when applied to wide and sparsely populated areas, it will be necessary to appoint a considerable number of whole-time referees. In view, however, of the fact that the comparative advantages and disadvantages alleged with regard to the various systems of referees discussed above are largely based on *à priori* considerations, which might or might not be justified in practice, the Committee attaches importance to the desirability of securing that no possible system shall be excluded from

consideration as a solution of the problem. For the present it is desirable that experience should, if possible, be obtained of the actual working of each of these systems and that no rigid line of policy should be laid down as regards the system. The general conditions existing throughout the country are so varied that a scheme suited to the needs of one area may not satisfy the requirements of another. While on the whole, therefore, a system of whole-time referees may be the most desirable solution and indeed the only possible solution, in large parts of the country, the general scheme should be made sufficiently flexible to permit of the adoption of any other well-considered arrangement, where local conditions or the desires of the practitioners or societies concerned render this possible.

Remuneration of Medical Referees.

220. With regard to the sources from which the funds for the remuneration of medical referees should be drawn, it may be observed that the creation of a service of medical referees is designed to meet two ends. While Approved Societies have advocated the appointment as a protection to the society against improper payments, and in order to safeguard the sickness benefit funds from depletion through illegitimate claims, from the point of view of the medical practitioner, the object of the referee is partly to assist the panel practitioner in arriving at a decision as to incapacity in doubtful cases, and partly to share any odium that may be incurred in refusing certificates, and thus assist the doctor to maintain friendly relations with his patients, and free him from the anxiety which many practitioners undoubtedly feel with regard to the effect on their practice of the adoption of a proper attitude. It has been suggested that the cost of a system of referees should be drawn jointly from the funds of approved societies, and the funds available for the remuneration of medical practitioners, in proportion to the urgency of their respective demands for the appointment of referees, and the benefit which they hope to derive from the establishment of such a system (*Pimble, Q. 37,145; Daniels, Q. 13,953*). Such a basis of calculation is, however, impossible of computation. To apportion the cost on the basis of the number of cases referred by societies and doctors respectively would also be impossible, as the adoption of such a system might engender a tendency for each side to defer referring cases in the hope that they would be referred by the other. From the point of view of the approved society there is the further point that the only fund available for defraying the cost of medical referees is the administration fund. So far as the societies are concerned the utmost that could be required would probably be a charge, sufficiently large to act as a deterrent against unreasonable reference of cases by any one society, but not so large as to prevent any society sending necessary cases to the referee. Probably in practice this may be obtained by making a charge of approximately 2s. to the approved society for each case reported on by the medical referee.

221. From the point of view of the practitioner, after making every allowance for the cases of genuine difficulty in which the guidance of a second opinion is desired, and allowing for the argument that the appointment of medical referees would be of universal utility in helping to standardise the meaning to be attached to the phrase "incapacity for work," the Committee are satisfied that a large part of the demand is based on the desire to have someone who will relieve them of their responsibility in the unpleasant task of declaring insured persons off the funds. That this difficulty would be so intense was not foreseen at the time the original arrangements for medical benefit were made. It was not anticipated that medical practitioners would experience such searching of heart in discharging the duties undertaken by them in their contract with the Insurance Committee. In so far as the appointment of medical referees is made to enable medical practitioners to discharge with an easier mind the duties which they have undertaken to perform, it appears to the Committee equitable that some portion of the expense required for the remuneration of the medical referee should be borne by the practitioners to whom his presence brings ease of mind (*W. Duncan, Q. 17,798-9; Paget, Q. 24,110*). In view, however, of the fact that the present financial arrangements for practitioners have been made for a term of three years, the Committee do not feel in a position to suggest that any part of the cost of medical referees should be immediately borne by the medical practitioners in the area. When the matter comes under review at the expiration of the period of three years, the question should, however, receive consideration, having regard to the possible modifications and extensions which may then be given to medical benefit.

SUMMARY OF FINDINGS AND RECOMMENDATIONS.

GENERAL WORKING OF SICKNESS BENEFIT.

1. We are of opinion, on a survey of the working of that portion of the Insurance Act to which our attention has been directed, that, notwithstanding the difficulties involved in bringing so complicated an Act into operation, the machinery for the administration of benefits is, on the whole, working as smoothly as could reasonably have been anticipated.

2. The success so attained is in large measure due to the efforts of those on whom its local administration devolved, and in particular we desire to express our appreciation of the zeal shown by officials of Approved Societies generally in promoting the prosperous working of the Act. We are the more impelled to place this general impression on record in view of the criticisms which we have found it necessary to make on various administrative defects.

3. With regard to the medical profession also, it has been necessary to criticise the practice of many practitioners as regards certification and the general want of appreciation by the profession of the needs of Approved Societies in this respect. At the same time we desire to state that, so far as the facts have come before us in the course of our investigation, we are satisfied, speaking generally, that the medical practitioners who have entered into arrangements with Insurance Committees have brought to their work a desire to do their best for their patients, and that medical benefit, as administered subject to the limitations of the Act and the Regulations, is proving as great an advantage to insured persons as could have been anticipated by any well-wisher of the Act.

MEN'S SICKNESS EXPERIENCE.

4. Taken as a whole we find that the experience of men's societies as regards sickness benefit justifies the actuaries' estimates.

SEGREGATION—SPECIAL RISKS.

5. The effect of segregation of persons exposed to special health risks, or with special predisposition to sickness, in particular societies and branches has been to produce in some societies and branches excesses over the actuarial provision.

6. It follows that in other societies, especially those which have made a specially strict selection of lives, the effect of segregation has been to produce an abnormally light rate of sickness.

7. In the cases of many societies excesses have been caused by mismanagement, of various kinds, and due to various causes; sometimes these excesses due to mismanagement are found in societies which suffer also from excesses due to segregation.

8. The evils of segregation should be redressed by the formation of a Special Risks Fund out of which payments should be made to those societies where segregation has produced excessive claims resulting in deficiency. The Special Risks Fund should be formed by a contribution from the Sinking Fund, supplemented by such grant as Parliament may be disposed to make for the purpose.

9. These grants should be retrospective and should not be given in respect of excess due to maladministration. Future grants from this fund should be conditional upon the societies concerned having adopted such administrative changes as the Commissioners may have recommended.

MANAGEMENT OF SOCIETIES.

10. In those societies where finance is centralised but local officials are vested with control over expenditure, we find in many cases excesses which we attribute to the type of the organisation of the society and consequent mismanagement.

11. All societies should be called upon to consider most carefully the system of correlation between supervision and payment with a view to the establishment of (a) uniformity throughout the society's operations, and (b) strict supervision and control from the centre.

12. Even in societies with branches the committee of management should investigate more closely the daily operations of the branches, and press upon them, at first by advice and suggestion and later, if these means are ineffectual, by such other means as are open to them, the adoption of proper methods of administration.

13. Societies, other than societies with branches, whose local officials are elected for short periods, should consider the desirability of giving to these officials some greater security of tenure, and of requiring the confirmation of their appointment by some central body elected by the whole society and of conferring upon that central body the power of removing locally elected officials who are proved to be inefficient.

OVER-INSURANCE.

14. We have had much evidence to the effect that many insured persons who were former members of friendly societies are now receiving when incapacitated a weekly payment which is greater than their usual wage.

The over-insurance thus resulting is, in our opinion, a definite cause of excessive sickness claims.

We believe it to be desirable that approved societies should discourage members from continuing a scale of insurance on the private side for weekly sickness payments which, when combined with the sickness benefit under the Act, causes them to be over-insured. Insured persons who are willing and able to make provision on such a scale should be encouraged to secure alternative benefits.

15. We find a similar difficulty in the case of badly paid women workers, who, whilst working, have to pay for the care of their children and in whose case, although they are insured only under the Insurance Act, there is a distinct pecuniary advantage in declaring on the funds.

We are unable to suggest a remedy for this serious state of affairs and can only look to such an improvement in the economic conditions affecting women as will diminish the attractiveness of sickness benefit.

ACTION OF INSURED PERSONS.

16. We find little, if any, evidence of fraud on the part of insured persons, or of deliberate malingering, but considerable evidence of (a) a tendency to take the utmost advantage of the benefits under the Act, (b) a tendency to claim for trivial complaints, (c) a tendency to prolong unduly the period for which members remain on the funds, especially during periods of unemployment.

17. On the other hand, we cannot overlook the fact that some insured persons have continued at work, when they might properly have claimed sickness benefit, or have returned to work before they should have declared off the funds of the society.

WOMEN'S SICKNESS EXPERIENCE.

18. Taking women as a whole, experience shows that sufficient provision has not been made for the sickness benefit granted to women under the Act, that is, either the amount paid as premium is insufficient or the amount of the policy money is too great, and this applies both to single women and to married women.

19. This fact is masked in the cases of certain societies by segregation, and in the case of other societies is intensified by segregation.

20. The sickness claims of women have presented special difficulties by reason also of (a) the greater difficulty of determining the question of incapacity in the case of women, and (b) the inexperience in the conduct of women's insurance of those administering the societies.

MEANING OF INCAPACITY.

21. In the case of both sexes great difficulty is caused by a doubt as to the meaning of the criterion of incapacity set up under the Act.

22. Where doubts of this nature exist, the consequent confusion leads to the admission of improper, as well as the refusal of proper, claims.

23. We recommend that at the earliest moment possible the conditions of sickness benefit should be more precisely defined.

24. The old practice of friendly societies was to pay sickness benefit when members were incapacitated from following their usual occupation. This was in particular the practice of the Manchester Unity upon whose figures, weighted for the special circumstances of the whole population, the financial estimates for the Act were framed.

25. We recommend that it should be provided by Statute that sickness benefit should be payable when an insured person is incapacitated by disease or bodily or mental disablement from following his usual occupation.

26. It will be necessary, however, to deal specially with the case of those persons who, having become so incapacitated, at a subsequent date become fit to follow some occupation other than that hitherto followed by them, but who do not regain such a state as to enable them to follow their previous usual occupation. This matter should also be dealt with by Statute, which should disentitle an insured person to sickness or disablement benefit when it becomes apparent that he will not be able, ever or until after the expiration of a prolonged period, to follow his previous occupation, but can follow some other occupation which is reasonably open to a person of his training and education.

27. These two states do not correspond exactly with the distinction between sickness and disablement benefit under the Act, which is merely a prolongation of sickness benefit at a lower rate after 26 weeks, but, roughly speaking, the criterion of the Act "incapable of work" is suitable for disablement benefit.

28. These difficulties as to the criterion apply especially in the case of women.

INCAPACITY DUE TO PREGNANCY.

29. In particular, doubts have arisen as to whether a woman incapacitated by pregnancy, and that alone, is entitled to sickness benefit. Doubts have also been expressed as to whether a woman incapacitated by pregnancy associated with some disease is so entitled. In our opinion it is impossible to maintain the distinction thus indicated between pregnancy and other causes of incapacity.

30. The grant of weekly payments during incapacity for work has not only disclosed an amount of sickness among the female industrial population which is greatly in excess of what could have been expected, but has also drawn attention to the condition of those pregnant women, who though technically "capable of work" still by working at their ordinary occupation, expose to serious risk both themselves and their unborn children.

31. Partly from misapprehension as to the nature of the insurance under the Act, and partly from the desire of doctors to secure the best possible conditions for pregnant women, and partly from the disinclination and inability of societies to decide the question of incapacity in such cases, some women have obtained sickness benefit when not strictly entitled so to do.

32. On the other hand, some of the societies, finding themselves unable to make the distinction, have by general arbitrary action excluded from sickness benefit all pregnant women whether incapacitated or not.

PROPOSED NEW BENEFIT FOR PREGNANT WOMEN.

33. The resulting confusion has placed societies, doctors, and the insured in an impossible position, and the facts have revealed the necessity for some further provision for pregnant women during the period preceding childbirth.

34. We therefore recommend that a new benefit should be created payable to a pregnant woman in respect of the last four weeks of pregnancy, whether she is incapacitated or not, and that payment should be made to a pregnant woman, who is incapacitated from following her occupation in the month previous to the last month, whether she is incapacitated by pregnancy alone, or by pregnancy accompanied by some other condition.

35. This benefit cannot be expected to produce the advantages hoped for, unless the woman is required to abstain from remunerative work, or other work likely to be prejudicial to her health, during this period of four weeks, and unless she informs her doctor as soon as she is aware of her condition.

36. The premium paid and the benefits promised were not fixed with reference to the possibility of pregnancy being a qualification for sickness benefit, and the

funds of societies cannot bear this extra charge. We therefore suggest that application should be made to the Treasury for the provision of such sum as will remove the whole financial burden in respect of the payment of this benefit from the funds of the Approved Societies.

37. In making this recommendation we are influenced by a hope that if women are induced to abstain from work during periods of incapacity in the course of pregnancy, and during the last month of pregnancy, and receive, when necessary, suitable medical treatment, there will result an improvement in their personal health and that of the children to be born, and a consequent gradual diminution in the demands on the Insurance Fund.

38. We consider it desirable that any sum provided by the Treasury and allocated to the societies for the purpose of meeting these payments should be allocated in such a manner as to cover the actual cost to which they are put by the carrying out of these recommendations, without increasing the amount available in their funds for sickness benefit or any other benefit.

39. Proposals were made to us that payments to pregnant women should be dispensed by the public health authority in connection with a general scheme for the instruction and care of women in this condition. Any proposals for avoiding the overlapping of the work of the public health authority and the various agencies under the Insurance Act are attractive in themselves. We are, however, not satisfied that this proposal would result in avoiding overlapping; indeed, so long as employed married women remain within the scope of the Insurance Act as insured persons, any such procedure would increase overlapping. Transference to the public health authorities of the monetary provisions in respect of pregnancy would, therefore, in our opinion, involve fundamental modifications of the National Insurance Act in relation to the insurance of women.

GENERAL EXCESS IN WOMEN'S CLAIMS.

40. These proposals for dealing with pregnancy sickness will not meet adequately the justifiable excess claims of women already mentioned. It is necessary, in order to produce financial equilibrium, that a payment should be made into the funds of societies, in the case of women insured persons, at such a rate as, taking the scheme as a whole, is sufficient to bear the risk at which the funds stand in respect of them. This effect can be produced (a) by increasing the weekly contribution paid by an insured woman and her employer, or (b) by reducing the amount for which each insured woman is insured.

41. In our view it is impossible for practical reasons to adopt either of these methods. It is necessary therefore that recourse should be had to an increased grant from the State or to an increase of the portion of each weekly contribution which under the Statute goes to the benefit funds of the societies.

42. If it had been realised when the financial basis of the Act was framed that the justifiable sickness claims of women would be at the rate since disclosed by experience, it would have been open to Parliament to fix either the rate of contribution or the rate of benefit at such a figure as to produce the necessary equilibrium. The effect of this previous unknown quantity has been disclosed by experience, instead of, as in the case of men, being calculated from previously known data, but this does not in itself afford any reason why the State should assume in the case of women a greater proportion of the normal sickness charge than in the case of men.

43. The course which in our view is most practicable is to divert to the funds of societies a portion of the sums which now go in redemption of reserve values. We are unable upon the figures before us to estimate the precise amount which should be taken for this purpose, and consequently cannot state the number of years which such a diversion would add to the time required to pay off reserve values, or, as it is ordinarily termed, extend the period of the sinking fund. We therefore recommend that the Chief Actuary to the National Health Insurance Joint Committee should be requested to prepare such information as will enable effect to be given to this recommendation.

WOMEN'S INSURANCE GENERALLY.

44. In making these recommendations for dealing with such of the problems relating to the insurance of women as have forced themselves upon our attention and

require immediate action, we feel compelled to record our view that the time has not arrived at which a final conclusion on the matter can be reached. The provisions of Section 44, and in especial those which relate to the provision made for insured single women upon their marriage, and the conditions upon which they may remain in or re-enter insurance as employed contributors, are in themselves highly complicated, and cause great difficulty in administration to the officials of Approved Societies and to the insured women, resulting in many cases in evasion or injustice. In addition, the working of those provisions of the Act which relate to maternity, and to sickness in connection with maternity, has not yet resulted in the acquisition of sufficient experience to enable us to feel great confidence as to the best method of shaping the provision made by way of insurance either in sickness benefit or medical treatment for women. All these matters will, in our view, require early reconsideration and possible readjustment.

45. In the course of the evidence much information was elicited incidentally on the important questions of the care and treatment of, and provision made for, women, before, during, and after childbirth, but the Committee did not consider it within the scope of this Inquiry to investigate this subject at length with a view to formulating a definite body of recommendations.

ACTION OF DOCTORS.

46. We are of opinion that in many cases doctors have given certificates for sickness benefit in circumstances in which those certificates were not justified. This action appears to be due to the following causes :—

- (a) A genuine uncertainty as to the conditions on which benefit is payable.
- (b) Hurry and laxity arising from the circumstances in which certificates are sometimes given out in a large practice, not necessarily confined to insured persons.
- (c) Hostility, which we believe to be now disappearing, on the part of certain members of the profession to the operation of the Act and to the societies.
- (d) Laxity and carelessness due to the inherent inefficiency of a small percentage of practitioners.
- (e) A general attitude of sympathy, and a desire in some cases to relieve distress, whether due to sickness or not, without regard to the general security of the financial scheme of the Act.
- (f) A desire in some cases to obtain all that can be obtained in the assistance of the cure of the patient, without regard to the conditions on which the patient is entitled, and consequently without regard to the question whether there is, in fact, incapacity for work or not.
- (g) A desire to retain the confidence of the patient in the interests of successful treatment, and an indisposition, therefore, to dispute, if it can be avoided, the patient's statements in cases in which symptoms are mainly subjective.
- (h) The fear of offending patients and employers (in particular the mistresses of domestic servants) by refusing certificates, and of, consequently, losing patients, and the desire on the part of some practitioners to cultivate popularity by acquiring a reputation for sympathy and indulgence.
- (i) Ignorance of the previous history of the patient and of material facts regarding his employment, character, and mode of life.

MISUNDERSTANDINGS BY DOCTORS AND SOCIETIES.

47. The difficulties, both of doctors and societies, have been aggravated by a disinclination, which is found on both sides, to deal in a practical manner with the problems which require common consideration and action.

48. They have also been aggravated by a wide-spread lack of appreciation, which is found on both sides, though not universally, of the necessity for rigid accuracy of statements as to the examination of patients and the dates on which the examination took place.

49. In addition, on the one hand, some doctors have failed to realise that it is necessary that the society should be fully informed on the face of the certificate of

the precise nature of the incapacitating disease, and, on the other hand, some societies have recklessly refused to acknowledge certain diseases as incapacitating diseases, or as diseases incapacitating for more than a specified time.

IMPROVEMENTS IN CERTIFICATION.

50. We believe that these difficulties can only be removed by :—

- (a) A rigid system of dating of certificates ;
- (b) A precise statement by the doctor on the certificate of the nature of the incapacitating condition, so as to convey to those concerned the whole truth so far as it is known to the doctor ;
- (c) The realisation on the part of the doctors and the societies alike that their respective duties in regard to the certificate are not ended when the one has given it, and the other has received it. Both parties must understand that it is the duty of the society to make enquiries in all cases of honest doubt, and of the doctor to impart, in reply, such reasonable information as will enable the society to come to a proper decision as to incapacity. Many medical practitioners find a difficulty in this matter by reason of the doctrine of professional confidence. We understand that the present arrangement whereby the certificate is addressed to the patient and handed to him, was made to meet this point, but some practitioners would still feel a difficulty in furnishing information, even to the advantage of the patient, direct to the society and without the patient's authority. It should be made clear that the insured person, on making a claim for sickness benefit, gives full authority to the society to seek, and to the doctor to furnish, all necessary information.

All information furnished by the doctors to the approved societies should be treated as being strictly confidential, and should be communicated only to the authorities to whom it is necessary for the proper administration of benefit that it should be known.

CERTIFICATES IN EXCEPTIONAL CASES.

51. If any rigid system is to be worked successfully, it must make provision for those exceptional cases in which the patient, on reading a precise statement on the certificate handed to him of the incapacitating condition, would incur danger to health, or where the communication of the precise condition to others would inflict on him unwarrantable injury. We are of opinion that a special procedure should be adopted in certifying in these cases, in order that the doctor may be at liberty to make on the certificate handed to the insured person a statement as to the nature of the incapacitating cause so drawn as to give no indication as to the class of disease covered, and less complete than is justified by his medical knowledge of the case. In all such cases the doctor must at the same time submit a full statement of the facts to the medical referee, and inform the society that he has intentionally issued a vague certificate, but that a special report has been sent to the referee. In order that the confidence of societies in such a system of certification should not be impaired, the limits of this exceptional procedure should be sharply and closely defined, and strictly adhered to. The cases to which such a procedure is applicable are (1) cases in which there is reason to believe that precise knowledge of the nature of the illness would be dangerous to the patient, as, we are informed, it would be, for example, in many cases of incipient insanity, cancer, and heart disease ; (2) certain diseases peculiar to women ; and (3) cases of venereal disease, whether congenital or acquired, to which the misconduct rule does not apply. The object of the inclusion of these last two classes is to protect the insured person from unreasonable enquiries, where no presumption of misconduct ought to arise, and it is essential on the one hand that societies should accept the assurance of the practitioner, and on the other hand that practitioners should state on the certificate the full truth in all cases not falling within these limited classes, and should not adopt the procedure indicated except in these cases. It would devolve upon the medical referee (*see* paragraphs 67 *et seq.*) to give to any society which so desired an assurance, on the facts within his knowledge, as to the incapacity of the insured person, and to supervise the certificates so furnished in order to guard against any possibility of abuse of a system specially devised to meet exceptional cases.

RESPONSIBILITIES OF DOCTORS AND SOCIETIES AS TO CLAIMS.

52. Both societies and doctors must realise that the society, acting upon the best advice they can obtain, are the judges, subject to appeal, of whether an insured person is entitled to sickness benefit. The doctor's function is to put them in such a position as to decide this point. Doctors must, therefore, furnish to societies the fullest information possible, and societies, on the other hand, must not arbitrarily come to conclusions without regard to the evidence before them.

53. Some societies have assumed the power to decide without regard to the evidence before them. A few have sought to test that evidence by objectionable means, and it has been brought to our knowledge that more than one society have thought it their duty to make systematic inquiries of women, against whose personal character they have no evidence, in such a form as to suggest that it is the business of an insured person to purge himself or herself of the suspicion that he or she is suffering from venereal disease. This practice cannot receive sufficient condemnation, and, if not checked, must break down the framework of the Act as administered by Approved Societies.

54. At the same time we realise that some societies may be led to this objectionable practice by the lack of confidence which, in view of the nature of many certificates, they necessarily feel in the certificates furnished to insured persons generally.

THE MISCONDUCT RULE.

55. We are of opinion further, that the societies and the doctors are often in difficulty owing to the "misconduct rules" which, from lack of definition and uniformity of interpretation, may lead to injustice to innocent persons and possibly to the payment of unjustifiable claims.

SICK WOMEN AND HOUSEWORK.

56. We are of opinion that considerable confusion of thought exists as to the effect of a breach of the rules of the society with regard to behaviour whilst in receipt of sickness benefit, and has led to harsh treatment, particularly of women found engaged in household work while on the funds. By such an infringement of the rule an insured person may incur the penalty of a fine, but the mere fact that a woman is found doing household work does not in itself necessarily disprove incapacity for work or justify the withholding of benefit. In our opinion it is desirable that the nature of the household work which may not be done by women while in receipt of benefit should be clearly indicated. A uniform rule on this subject is, in our opinion, essential. Societies should educate their women members to appreciate the necessity for abstaining from prohibited housework while in receipt of sickness benefit, and the fact that the prohibition is not only directed to insuring a speedy return to health, but also is intended to have a deterrent effect.

SICKNESS VISITING.

57. We are of opinion that sickness visiting as at present carried out is less efficient than it might be :—

- (a) Because too often the visitor is a part-time and not a full-time visitor ;
- (b) Because visits are not made before sickness benefit is paid, as is in most cases desirable.

Further, the function of the sickness visitor is not generally understood, and they are sometimes required to give their opinion on medical matters, or allowed to declare the patient off the funds without further reference to the patient's own doctor or to the medical referee. This is an improper use of the sickness visitors. On the other hand, their knowledge of the patients should be very useful in advising the officials of the society and causing them either to get more information from the doctor, or to put the doctor on his guard, or to send the patient to a medical referee.

58. There is no doubt that in many cases a lack of system, both as regards sick visiting and as regards the scrutiny of claims, leads to measures which would be unnecessary with proper management, and which are in themselves capricious and indefensible.

59. We are of opinion, that the provisions of the Act requiring that sickness visiting in the case of women shall be performed only by women are not sufficiently observed. In some cases, sickness visiting is confused with payment of benefits, and

male representatives of societies, who wait upon women in receipt of sickness benefit for the purpose of paying the benefit, are employed practically as sickness visitors. Apart from objections which are obvious to the use of men as sickness visitors in the case of women, it appears to us that efficient sickness visiting cannot be conducted under such an arrangement.

60. We are of opinion, that generally it is unsatisfactory that the sickness and maternity benefits of the Act in the case of women should be administered solely by men. It has been urged, and the majority of us concur in the view, that the administration of benefits would be more satisfactory, and in the long run would be conducted more efficiently, if the payment of benefits in the case of women, and if the scrutiny of women's claims, were entrusted to women to a far greater extent than at present.

61. If effect were given to the last recommendation the difficulty of objectionable inquiries by societies in the case of claims made by women, to which both the members and the doctors concerned have rightly taken exception, would be mitigated.

NURSING.

62. We have received evidence to the effect that the institution of a system of nursing for insured persons would tend to shorten sickness claims. Section 21 of the National Insurance Act, 1911, contemplates the expenditure of money by Approved Societies or Insurance Committees upon the support of district nurses, and gives power to appoint nurses for the purpose of visiting and nursing insured persons. Funds for this purpose are not included, however, in the financial provision made under the Act, and, if such a service is to be instituted, aid must be obtained from the Exchequer. We recommend that any nursing service for insured persons should be correlated with the administration of medical benefit under the Act. The evidence before us on this subject shows that the professional nurse can only carry on her duties under the supervision of the doctor in attendance on the patient, and we are satisfied that this tradition is founded on well tested experience.

SCOPE OF MEDICAL BENEFIT.

63. Many of the witnesses, both lay and medical, have spoken of the limitations of the scope of medical benefit under the Act and Regulations. In particular our attention was called to the absence of any service for second opinions, the performance of major surgical operations, the specialist treatment of the eyes, teeth, and special diseases of women, and other specialist services. It did not lie within the scope of our reference to consider this question, except in so far as it was alleged that the absence of these provisions tended to prolong unduly periods during which insured persons drew sickness benefit.

64. We have evidence that were an efficient service in operation for the treatment of the eyes and provision of spectacles, and for the treatment of the teeth, and the supply of dentures, the effect would be to shorten, in some cases very materially, the period during which insured persons draw sickness benefit. There is, in addition, weighty evidence that the lack of opportunity for immediate admission to hospitals and other institutions causes undue prolongation of sickness benefit, especially in the case of women. It is indeed obvious, that the removal of the present limitations would result in a reduction of sickness among the insured.

65. We are not in a position to make any specific recommendations in this matter having regard to our terms of reference and to the time at our disposal. We recommend, however, that the whole question of the scope of medical benefit, including the provision of the facilities and services referred to above, should be considered at an early date by a Departmental Committee or Commission. Any action taken upon the report of such a body will, in our opinion, probably necessitate a revision of the arrangements made with medical practitioners on the panel. We would suggest that this Committee, if appointed, should also consider the arrangements with respect to the medical referees suggested in this Report (*see* paragraphs 67, *et seq.*), with a view to harmonising the system of medical referees with the general arrangements for the administration of medical benefit and for the provision of such specialists' services and opportunities for consultation as it may be thought desirable to provide.

66. It appears to us that it can hardly be hoped that any such Committee can investigate this subject and report in time for any measures to be taken before the arrangements for the year 1915 are in operation. It may be anticipated, however, that if such a Committee should propose the extension of the scope of medical benefit

the arrangements consequent thereon will involve some prolonged negotiations, and it is therefore desirable that the report should be in the hands of those concerned as early as possible in 1915.

MEDICAL REFEREES.

67. Meantime, we are of opinion that, in view of the difficulties experienced with regard to certification, it is necessary that there should be established as soon as possible a system of medical referees.

68. In any system that may be established, Approved Societies and doctors, and the insured persons under proper safeguards, should have access to the referee with regard to any case in which a doubt is felt as to the question of capacity for work.

69. In order to deter societies from making an unreasonable or unnecessary use of the medical referee, societies should be required to pay a small fee in respect of each case referred.

70. We are of opinion that it would be equitable that practitioners should also contribute towards the cost of medical referees, in so far as the medical referee may remove from the panel practitioner the necessity of discharging certain of those duties which, by his agreement with the Insurance Committee, he has undertaken to perform. We are, however, satisfied that it would not at present be practicable to defray any part of the cost of medical referees out of the medical benefit fund.

71. In so far as the cost of medical referees is not met by the contributions of those parties in whose interests the appointments are made, we recommend that the cost should be met out of moneys voted by Parliament.

72. We concur in the view, repeatedly expressed in evidence before us, that in order that the referee may enjoy the confidence of all parties concerned in his judgment, it is desirable that appointments should be vested in the Commissioners.

73. Proposals have been put before us in advocacy of various systems of part-time referees, and for the discharge of the duties of the referee by boards of practitioners on the panel acting on a rota.

74. The appointment of whole-time officers only is precluded by the considerations that the amount of referee work to be performed can only be estimated very roughly, and that it will probably decrease in volume as the criterion of incapacity becomes standardised. Moreover there may be difficulty in finding, before the date at which the service must be brought into operation, a sufficient number of doctors suitable in every respect, and willing to become permanent servants of the Commissioners.

75. It therefore appears desirable that every experiment in this matter should be encouraged, and that, while the Commissioners should proceed at an early date to the appointment of such a number of whole-time referees as is available, and is likely, in any event, to be required permanently, they should also set on foot systems of part-time referees as suggested above. It would, in our view, be desirable that there should be facilities for referring cases in which women are concerned to women practitioners, if the insured person concerned so desired. We fear, however, that, having regard to the supply of women in the medical profession at present, this can only be regarded as an ideal. We are, however, strongly of opinion that, wherever practicable, women should be employed among whole-time and part-time referees.

76. We have ample evidence of the difficulties which arise through the inability of the officials of societies correctly to interpret the sickness certificate, and we realise the weakness in any service where the initiation of action by the medical referee depends upon these officials.

A system under which the medical referee has periodically under review all the certificates issued in that area would remove this weakness, and tend also to secure :—

- (1) Standardisation of the criterion of incapacity throughout the area.
- (2) Diminution of valetudinarianism as well as of actual sickness claims.
- (3) The use of accurate technical medical terms on the certificate which might otherwise be avoided from fear of confusing or misleading society officials.
- (4) Data of the actual sickness experience of the area.

Such a system could only be successful through the goodwill of the societies operating in the area, and we are of opinion, that it is impracticable to attempt at once to establish such a service generally, but consider it desirable that experiments of this nature should be encouraged in selected areas.

CONSULTATIVE SERVICES.

77. At the outset the main function of the medical referee will be to give a second opinion on the question of incapacity for work. We are, however, impressed by the dangers which attend a system which divorces the doctor from the actual practice of the art of healing, and, for this and for other reasons, it appears to us desirable that every effort should be made to combine with the functions of the whole-time medical referee the function of giving a consultative opinion in doubtful cases.

78. We have not felt ourselves justified by the terms of our reference in going fully into this matter, but the recommendations of the Committee already suggested will materially affect the position of anyone acting as a medical referee, and we therefore recommend that in settling the terms of appointment of these officers, the possibility of a further extension of the medical service should be borne in mind.

SURGICAL APPLIANCES.

79. We have also received evidence that sickness claims are somewhat increased in length through the absence of appliances not prescribed under section 8 (1) (a) of the Act, 1911. We have not felt justified in dealing with this subject at length, but we are of opinion that the consideration of this question might appropriately be referred to the Committee which we have recommended should be appointed.

COMPLAINTS.

80. On miscellaneous matters the evidence before us discloses that the machinery for complaints made against a doctor by an insured person or Insurance Committee, or by a doctor against an insured person, does not work expeditiously or with sufficient certainty.

81. This appears to be due partly to the reluctance of insured persons, and even of their society, to state or pursue their complaints, and partly to the severity of the only penalty which under the Act and Regulations could be exacted of the doctor, namely, that he be struck off the panel.

82. Following the precedent set as regards insured persons by subsections (3) and (4) of section 14 of the Act of 1911, we recommend that the Commissioners should insert in the Medical Benefit Regulations power to impose a pecuniary penalty upon doctors for neglect of duty, and that, if necessary, they should be empowered by statute to do this.

83. We recommend also that the Commissioners should be empowered to incorporate the relevant portions of the Arbitration Act in the Regulation on the subject, so as to enable subpoenas to be issued failing the attendance of witnesses before the tribunals investigating these complaints.

APPEALS.

84. We are not satisfied that, in the case of some societies, the machinery for the domestic tribunal of appeal from the decision of the Committee of Management works expeditiously or even justly. In some cases the domestic tribunal of appeal is situated at so great a distance from the member that he cannot avail himself of the right to appeal; in others, as where it consists of the whole delegate body of the society, it is so constituted as to be inappropriate for the purpose; in others, again, a money deposit to an amount prohibitive to the poorest of the population is imposed before access to the tribunal can be obtained, or uncertainty as to the extent of the costs in which appellants may be involved proves absolutely deterrent.

85. It would be impossible for us to go through the rules of all societies in detail with a view to making definite recommendations on this subject. We recommend that the Commissioners should enter into negotiations with the whole body of societies with a view to obtaining such amendments as experience has shown to be necessary in this respect. In particular it seems to us that any such tribunal ought to be easy of access, that it should meet with reasonable frequency and be constituted of impartial persons with some skill in elucidating the difficult points which may arise for decision.

86. Where the cases which arise concern female insured persons, we are of opinion that the tribunal of appeal should contain an adequate proportion of women amongst its members.

87. There would be obvious advantages from the point of view of the interests of members as insured persons, in the adoption of a uniform procedure for appeal in State Insurance disputes. This may not be immediately practicable, but, in the meantime, we consider it of paramount importance that societies should inform their members clearly of the procedure necessary in order to appeal against decisions in all cases where benefit is refused, penalty inflicted, or expulsion proposed.

In conclusion, we desire to place on record our appreciation of the services rendered to the Committee by our Secretary, Mr. Gray, to whom we are indebted, both severally and collectively, for his unflinching courtesy and industry.

We have the honour to be

Sir,

Your obedient Servants,

CLAUD SCHUSTER¹ (*Chairman*).

THOS. M. CARTER.

WALTER DAVIES.

A. FULTON.

M. H. FRANCES IVENS.¹

MARY R. MACARTHUR.²

WM. MOSSES.³

LAURISTON E. SHAW.

A. C. THOMPSON.

ALFRED H. WARREN.

ALFRED W. WATSON.

J. SMITH WHITAKER.

MONA WILSON.

WALTER P. WRIGHT.⁴

ALEXANDER GRAY

(*Secretary*).

24th July 1914.

¹ Subject to Memorandum B.

³ See also Memorandum C.

² Subject to Memorandum A.

⁴ See also Memorandum D.

MEMORANDUM A.

BY

MISS MARY R. MACARTHUR.

1. The inquiries of the Committee have necessarily extended into a full review of the administration and management of approved societies, representative of almost every type, and including a large proportion of the insured.

2. The majority of the members of the Committee believe that the imperfections revealed can be remedied by certain minor reforms in administration, and by some financial readjustment.

3. I cannot support this view.

4. I agree that financial readjustment is imperative, and that the reforms proposed are, in the main, desirable, and I have, therefore, signed the Report. I believe, at the same time, that its proposals are inadequate; that their effect will be temporary, and that a fundamental alteration of the scheme is necessary to make it National Health Insurance in fact as well as in name.

5. The evidence shows that serious difficulties, hardships, and anomalies are inevitable, so long as the Act is administered by approved societies, as at present constituted.

6. Further, the provisions of the Act require considerable amendment before they will meet the special needs and requirements of women.

7. It is true that some of the defects to which I refer were hardly avoidable at the time when the Act was passed. The National Insurance Act has done great service in bringing to light a mass of suffering and a number of social evils, as to which the nation as a whole was ill-informed or indifferent. It will now be substantially easier than in 1911, both on account of the new knowledge available and of the state of public opinion, to make adequate provision to advance the health of the community.

8. As stated in the Report, the evidence shows that the excess of sickness over expectation is to be found almost entirely amongst women, although as indicated, segregation, mainly occupational, of certain groups of men is also connected with a degree of excess. I agree that "there is every reason to believe that, except in certain societies in which, for example, domestic servants, and women of the semi-professional class have been aggregated, the amount expended on behalf of women considerably exceeds the actuarial provision" (paragraph 155), but I cannot concur in the view that this excess is to any appreciable extent due to "Ignorance of the Principles of Insurance" (paragraph 156), "Approximation of Sickness Benefit to Average Earnings," or so-called over-insurance (paragraph 158), "Difficulty of Supervising Behaviour during Sickness" (paragraph 159), "Economic Difference" (paragraph 160), "or to defects in management of societies and carelessness in medical certification" (paragraph 154).

9. While these considerations do, no doubt, bear upon the extent of the claims made and allowed, they are, in my opinion, largely counterbalanced by the improper refusals and suspensions of benefit which have resulted partly from the two last enumerated causes. However that may be, it is not disputed that in the main the excessive sickness of women is due to fundamental causes, and that we can expect a radical improvement in health only in so far as these are dealt with. It is idle to hope that the volume of claims can be appreciably lessened by remedying defects of administration or of medical certification in so far as these admit of remedy.

10. It must also be remembered that experience of sickness claims under the Act applies to a period of good trade, and that payments for the first quarter, owing to the twenty-six weeks qualifying clause, were lighter than any other. In an average year the experience might reasonably be expected to be worse; in a period of epidemic or of bad trade, it would be appreciably more unfavourable.

11. The Committee has recorded its conviction that women are more liable to incapacity by sickness than men, and it is my contention that (apart from normal physical reasons) this extra sickness of women is due to their greater poverty, and to the character of their employment. Long hours, long standing, lack of fresh air, long intervals without food, are undeniably, especially in the case of young anæmic girls, detrimental to health, and the low wages which attach to most women's employment

involve insufficient and often improper food. (As stated in the report: "The total number of insured women includes a very large proportion of ill-paid and ill-fed persons, who, in most cases, live on unsuitable food.") The report, however, gives a very brief summary of the evidence given by doctors and others as to the results of poverty in feeding, over-strain and want of rest. The cumulative effect of this evidence is so weighty that I add an additional summary.¹

12. Nor must it be forgotten that the Insurance Act falls with a heavier incidence upon women's wages than upon men's, the inequality being little diminished by the graduated scale of payment, which, though excellent in principle, is very often a dead letter in practice owing to evasion and administrative defects.

13. Indeed, consideration of the plight of many insured women compels the belief that a contributory system of insurance is a doubtful boon to them, the possible gain not compensating for the reduction of already insufficient earnings.

14. Against the emphasis thus placed upon low wages as a source of excessive sickness, the experience of the Lancashire textile trades, where, though wages are comparatively good, the sickness rate has proved exceptionally high, may be urged, but here the influence of the industrial employment of child-bearing women must be allowed for.

15. It is not surprising that under the treble strain of child-bearing, wage-earning, and household drudgery, women break down. The evidence is overwhelming that unsuitable occupations during pregnancy, especially late pregnancy, and a premature return to work after confinement, are a prime cause of sickness in women, not only at the time of child-birth but in later life.²

¹ The representative of the National Amalgamated states (7,528) that low wages "not only induce malingering, but also cause sickness," and that his society is "sure, that whereas prior to the Act, female members would in large numbers continue their employment, when, as a matter of fact, they were not physically fit to do so, now . . . they declare on the fund and prefer to lose the difference between their wages and their sickness benefit rather than go to work in a damaged state of health."

The evidence of the Foresters (A.O.F.) is to the effect that the secretaries of the courts believe (19,488) that there are practically no unjustifiable claims. The representatives of the Independent Union of Boot and Shoe Operatives say (5,686) "I do not think there is one of them" (*i.e.*, those on benefit) "who is not bad and hardly fit to be at the factory, but previously some of them have worked with a greater determination . . . they would not give up until they were absolutely compelled." Dr. Olive Claydon thinks (22,726) that the members unwilling to return to work when fit are very few in number. Dr. Layton (Walsall) thinks (29,167) there are very few unjustifiable claims. He adds (29,527-8) "I have no doubt that a great many of the societies have been astonished to find the number of these factory girls who have gone sick. We knew perfectly well . . . that this was going to happen." "They had no business to be at work before. Lots of girls got seriously ill by reason of the fact that they went to work when they had no business to," and with reference to the reluctance of his patients to return to work, "now they are able to lie up they realise how bad they are" (29,683). Dr. Harry Roberts, who has had a very large experience in Stepney among casual labourers, dock labourers, and a large number of women employed on rope work, rag sorting and poorly paid occupations, says (29,922) "the people we find who linger on . . . are those girls who do rag picking and people of that sort" (*i.e.*, the very poor), "anæmic girls and women before and after confinement," and speaking generally of his patients says (29,972) "*half these people are working in a state of health which most people in our class would call ill.*" In the précis of evidence prepared by the British Medical Association the same view is expressed, "there is a general agreement that patients are now doing what many of them have never been able to do before, namely, staying away from work until really fit to return." Again, "even the medical profession has been surprised at the number of cases of persons who have never had medical attendance before . . . and who really needed rest and sickness benefit. This is *particularly the case with employed women* . . . large numbers of whom have struggled on for years in spite of actual sickness or depressed health, because they could not afford to take the rest they so much needed." The British Medical Association also quote a correspondent in West Ham who mentions "the normally low standard of health in female city workers as being a distinct factor in the increased claims." Dr. Cox (30,034) similarly speaks of the "great surprise to the average member of the medical profession to find so many people who apparently in the past never had any treatment at all." Dr. Farman says, speaking of women (33,453), "there may be (*i.e.*, excess) over what was generally anticipated, but certainly not over what I anticipated. In fact, I was surprised that we had not had more sickness."

Dr. Bolding, speaking of doubtful claims among women attributes them to a general poor standard of health. "They" (his patients) "are in fact chronically overworked" (34,502).

Miss Hughes (40,277) says "the women especially did not go sick when they were beginning to be ill" before the Act "they worked on until they got very ill indeed." The nurses now notice (40,278) that illnesses are more often taken in time.

Dr. Richmond (of Bermondsey) says (38,431) "I do not think that we realised what the effect of the Act would be in bringing to our knowledge the sickness that exists." This, he says, (36,433) is a great deal more true of women than of men.

² Dr. Bennett says (16,595) "A tremendous proportion of the cases that visit the out-patient departments of the hospitals peculiar to women's diseases are cases which have slowly and gradually followed childbirth through not lying up sufficiently, and *particularly, perhaps, following miscarriages.*"

Dr. Richmond gives particulars of eight cases of women working from 7 a.m. to 7 p.m. in jam and tin-box factories each having five children to care for after factory hours. *None of them were really fit for work for months before confinement or months afterwards* (38,542).

16. To sum up: the main causes of excessive sickness, in my opinion, are, in the first place, poverty with all its concomitants; and, in the second place, want of care and rest during illness, of medical treatment in the past and of adequate medical treatment in the present, particularly during pregnancy, at confinement, after confinement, and, indeed, in all cases of women's diseases.

17. It is with these latter causes only that it has been within the purview of the Committee to deal, and I desire to show where the recommendations made in regard to them seem to be inadequate.

Maternity and Pregnancy.

18. I have concurred in the proposals as to pregnancy because they embody a clear declaration that benefit should be paid to women incapacitated from following their occupation by this cause, and a recommendation that money must be found for this purpose.

19. My agreement, however, is subject to the proviso that if Societies are to be temporarily entrusted with the disbursement of this money, there should be no possibility of profit or loss to their funds, there should be no discretionary power vested in the Societies, and that there should be no testing of incapacity in this connection by lay persons.

20. Indeed, the ordinary test of incapacity is most unsuitable in this case. The criterion should be a medical opinion that a woman is in a condition in which industrial employment may involve injury to herself or her unborn child.

21. The majority of the Committee have made certain comments on alternative proposals, dealing with the administration of pregnancy sickness benefit. As they have never seriously discussed these proposals, and have sought no evidence upon them, these comments seem to me to be premature.

22. There are special disadvantages in the administration of this benefit by approved societies. To ladle out public money without supervision, advice or attempt, to provide which the approved societies have no adequate or appropriate machinery, is surely not desirable. Such machinery as they have usually consists of a limited number of "sick visitors," persons often untrained, inexperienced, and inefficient, and, in cases known to the Committee, offensively and indelicately inquisitorial in the methods they employ: persons, moreover, working with so little co-ordination, that on occasion as many of them may visit a street as there are houses in it. Such machinery is certainly not adapted for the visitation and care of expectant mothers.

23. The majority of the Committee are prepared to dismiss alternative schemes by stating that these would result in increased overlapping and involve fundamental modifications in the Insurance Act. Obviously, fundamental modifications are involved. The Insurance Act, being, so far as women are concerned, a leap in the dark, it would be surprising if it were not so.

24. Attractive as the alternative schemes appear, especially that which proposes that women during pregnancy should be dealt with by the Insurance Committees precisely as sanatorium benefit is dealt with now (*i.e.*, that the county and borough councils should have the same powers to extend this benefit to the dependants of insured persons, and even to take over the whole work as some have already done in connection with tuberculosis), it would be premature definitely to recommend at this stage any particular scheme as against another on the evidence adduced. I urge, however, that a case has been fully made out for a complete and impartial enquiry at an early date into the whole subject of the care and treatment of women during pregnancy and maternity.

25. That advice and treatment at these times is vital from the point of view of public health, is admitted. The matter must not be dealt with by patchwork methods and with insufficient knowledge and consideration. It must, furthermore, be borne in mind, that a distribution of public money which discriminates in favour of the wage earning woman as against her uninsured sister, whose need is often as great, will result in a State premium on the industrial employment of married women.

26. It is needless here to detail the grave objections which could be urged against such a policy.

27. One must remember that the insured women are not a separate class. Many women are insured only for a part of their lives, and married women in particular leave or take up their occupation according to changes in the family fortunes. The state of health of women working for wages points to the possibility of a similar unsatisfactory state of health of mothers at home, and is one of the strongest arguments for a broader and more comprehensive enquiry.

28. I urge then, that the whole question of care, treatment and provision before, during and after confinement, should be the subject of an immediate enquiry by a Royal Commission on Maternity, which should be appointed with comprehensive terms of reference, including the Cause and Extent of Miscarriages, Still-births, Diseases of Women and Infantile Mortality and report with the least possible delay.

Medical Treatment.

29. The important bearing which the inadequacy of medical treatment and institutional facilities has on the question of sickness, both among men and women, but especially among women, has been already referred to.

30. Everyone has been impressed by the extent to which sickness claims are prolonged by lack of proper dental treatment and of provisions of dentures. This applies in a lesser degree, but with equal importance, to the treatment of eyes.

31. I have concurred in the proposal to appoint a medical Committee on the understanding that it should be appointed immediately with the widest possible terms of reference, including provision of appliances, hospital accommodation, and the administration of nursing. It is most important that pending the report of this Committee nothing should be done to prejudice its findings.

32. It is to be hoped that the Committee will take into consideration the institution of an improved medical service, the need for which is beyond exaggeration, and the following views are put forward for consideration :—

33. The report foreshadows a supplementary service of State doctors which every reader of the evidence must feel to be inevitable.

34. I suggest that these doctors should be :—

- (a) Appointed and paid by the Commissioners.
- (b) Available as consultants in all cases in which either a second opinion as to diagnosis or treatment is desired, or in which additional treatment is required beyond the sphere of the general practitioner.
- (c) Accessible under proper safeguards at the option either of the panel doctor, the approved societies, or the patient.
- (d) Provided with premises and equipment.

35. The service should include specialists, both surgical and medical, for cases specially reported to require either opinion or treatment by such specialists.

36. It is also desirable that hospital provision within each locality should be made adequate to the local needs as quickly as possible, either by the local authorities being required, and financially enabled, to put in force their existing powers of establishing and maintaining hospitals of all kinds under the Public Health Acts or otherwise. These hospitals should include adequate provision for women's diseases and maternity, for cancer, and for venereal diseases.

Some provision should be made for travelling expenses to enable patients to get access to :—

- (a) The Medical Referees and Consultants ;
- (b) The hospitals to which they are recommended.

Suitable arrangements should be made so that the services of the whole county panel should be made available for any case in which the treatment required is beyond the competence of the particular practitioner, so as to enable the local panel resources to be fully utilised before calling in the Commissioners' expert consultant.

Misconduct.

37. There is much evidence as to the effect of the provision in the rules of most societies that benefit should be withheld when disease or disablement is due to misconduct.

38. The attempts made by some officials to carry out these rules entail very difficult administrative work and often considerable hardship to many insured persons, who are entirely innocent of anything that could possibly be regarded as misconduct.³ At the same time, it seems clear that owing to certification of symptoms rather than causes, sickness benefit is paid in many cases, where according to the rules of the society, it might be withheld on this ground.

39. The extreme difficulty of dealing with the matter is illustrated in the report, where these cases are discussed. The conclusion is that the doctor (in conjunction with the medical referee) shall be the judge of whether the patient is entitled to benefit. The medical man is to give an explicit certificate when he believes the patient guilty, and a "vague certificate" when he believes him innocent.

40. There is no reason to labour the inconsistency of this suggestion with the dictum of other parts of the Report, that the duty of giving or withholding benefit is laid by Parliament on the approved society, and the doctor's certificate is to be considered as evidence and not as a final decision.

41. While the present arrangement, and even the proposed scheme, must cause great trouble to societies, medical practitioners, and innocent insured persons, little or no advantage results therefrom, in the prevention of misconduct, or of the diseases arising from it.

42. In the interest of public health and apart from the necessity for smoother administration of sickness benefits, it would seem desirable that such changes should be made in the Insurance Act as would render it impossible for approved societies to withhold sickness benefit on the ground that disease or disablement had been caused by the misconduct of the person claiming benefit.

43. Indeed, I am assured by doctors that there is a danger that where incapacity is caused by such a disease, and benefit withheld, the continuance of the insured person at work will lessen the opportunities of efficient treatment, and will increase the prospects of permanent invalidity and the recurrence of the disease at a later period.

44. If such an alteration should entail an additional burden, although this is open to doubt in view of the admittedly misleading certification of these diseases, financial provision must of course be made to meet it.

45. Further (with a possible exception in the case of congenital syphilis), it is absolutely essential in the interests of public health that sufferers from venereal diseases should be informed of their condition. It is impossible to condemn too strongly the refusal of medical men to give this information to married women, and the evidence shows that this is far more generally the case than is at all understood by the public.⁴

46. From the point of view of public health, nothing could be worse than to leave such patients in ignorance, and to allow the unconscious mother to risk the birth of syphilitic children.

47. It seems desirable that a full report on all cases of venereal disease should be made by the panel doctor to the State Consultant, and at the earliest possible moment provision should be made for adequate treatment, both hospital and dispensary, without charge, stigma, or publicity.

48. The evidence on the subject should be forwarded to the present Royal Commission on Venereal Disease.

³ The Secretary of the Wholesale Co-operative Society habitually inquires as to possible misconduct in cases of hernia and varicose veins (12,282), varicocele (12,288), adenitis (12,303), neuritis (12,324), eczema (12,330), endometritis (12,355) and (12,476-8) instances in addition a long list of diseases of pregnancy which in his mind needed inquiry as possibly due to misconduct.

⁴ Dr. Bennett says (16,579): "It is not the custom amongst medical men to inform the wife." Dr. Olive Clayton submits evidence from 45 doctors of whom 26 (22,924) state that, they have reluctance to inform a married woman that she has syphilis," one man adding that he believes over 80 per cent. of the cases are innocent. On this, some cross-examination took place (22,925). "Q. What you are saying " is that out of every 100 women suffering from this, 80 suffer because of their husbands' misconduct, and " because they do, they are not going to be told anything about it. I cannot believe that that opinion is " held by the profession seriously?—It is seriously held." Dr. Stanley Hodgson says (26,123): "Under no circumstance would I be the cause of a rift between husband and wife." Even more important is the memorandum handed in by the British Medical Association, where it is stated that the doctor's certificate in the case of a presumably innocent married woman "will generally not give any hint" of the cause of the disease.

Administration and Finance.

49. Viewing the complete picture of the working of the Insurance Act which the evidence has provided, the conclusion is irresistible that its fundamental mistake is its method of administration by a number of independent approved societies.

50. In theory this plan of administration was excellent. It was hoped by this method to secure democratic self-government by insured persons of insured persons. The funds were to be protected by identity of interest and the extension of the old friendly society spirit into State Insurance. To secure these advantages a contributory scheme was reluctantly accepted by a majority of the working class representatives. For these advantages economy, simplicity, uniformity of management, and the pooling of risks over the whole community were sacrificed.

51. How far have the ideals of self-government and democracy been fulfilled? Section 23 (2) ii. of the Act states that the constitution of an Approved Society must provide to the satisfaction of the Insurance Commissioners for its affairs being subject to the absolute control of its members.

52. The intention of Parliament was therefore democratic government and absolute control by members of their own affairs. Parliament laid upon the Commissioners the duty of seeing that this was achieved.

53. It is clear that the intention of Parliament and the intention of the promoters of the Act have in this respect been disappointed.

54. The affairs of most insured persons are as little under their absolute control as are the affairs of those receiving out-relief from the Guardians; indeed those receiving relief have often far greater powers to influence the election of Guardians than have the members of Approved Societies to influence the policy of that society.

55. In the first place, rules have been approved which in no reasonable sense can be said to give any effective control to the members concerned. In the Prudential Societies, if a member desires an alteration in the rules, he must obtain a thousand signatures before he can bring the subject before a meeting, unless the Committee of Management consider the subject suitable for an annual meeting (*Barrand*, Q. 5068).

The present Committee of Management was appointed by the management of the Prudential Life Assurance Company (*Barrand*, Q. 5355-6). The completeness of the control of the Life Assurance Company over the State insured members leaves therefore little to be desired.

56. These large Industrial Societies and Societies with similar constitutions include over a third of the insured persons and more than half of the women.

57. Secondly, the old Friendly Societies themselves have changed their character under the pressure of circumstances. There is much evidence to show that the machinery of little local courts, clubs and lodges cannot bear the strain put upon it, and that even those societies who have the strongest traditions in these matters are being forced into a centralised system. The witnesses generally are of the opinion that the old friendly society spirit is dead. The Grand Master of the Manchester Unity (Q. 31,650) said that the "state members are taking practically no interest whatever in the affairs of the Society." The High Chief Ranger of the Foresters spoke of the Friendly Society spirit being dead, and the same testimony is given by substantially all the witnesses who have given evidence on this point before the Committee. It is also interesting to note that the Societies who formerly conducted their business by local branches and courts are being more and more forced to adopt centralised systems of government, not differing very much from that of the new industrial companies or from any possible State system.⁵

⁵ The representatives of the Bedford Federation of Friendly Societies explained that his local Secretaries were formerly and are now, "the village blacksmith, or carpenter, or something of that description" (22,346), "all very excellent men . . . but really not up to administering a great concern?—No, far from it" (22,352).

In exactly the same way, the Durham miners were offered by working colliers giving their spare time to the work (35,201). Before the Act, the supervision was entirely local (35,157-8), and the central control was merely "book-keeping and financial" (35,186). This is now changed. Under the pressure of the Act, everything is now sent to the Head Office (35,187), and is checked and examined there. The Grand Master of the Manchester Unity (31,613) said that undoubtedly the work would be better done if the administration were centralized in districts. The High Chief Ranger of the Ancient Order of Foresters went so far as to deprecate any administration of the Act by voluntary societies (19,655). "Q. I gather that in your view, it might be beneficial to the friendly societies if the Government established some state management of the Act to run the State Insurance side by side with the Friendly Societies . . . ?"—A. "Provided they limit the sickness benefits in their future operations to what they are now." The Grand Master of

58. With increasing centralisation the power of the individual against the society dwindles and almost vanishes. In the evidence, examples have been given of the arbitrary conduct of certain societies. Benefits have been arbitrarily refused, or illegally reduced,⁶ and perfectly respectable young girls and women submitted causelessly to wounding and indecent inquisitions, without any effective resistance on the part of the members.

59. The history of pregnancy sickness is, however, the most striking example of the helplessness of the individual. There was originally a widespread belief among the women that they were entitled to benefit when unable to work through pregnancy. Yet, though their need was urgent, their ignorance and helplessness was such that no woman appears to have appealed from a society, although there is much evidence as to the rejection of such claims.⁷

The State, having demanded compulsory contributions, is under a moral obligation to see that those who pay obtain the benefits promised.

60. It is, of course, not practicable to attempt at this juncture a complete reconstruction of the Insurance Scheme, but it is imperative that the individual should be placed in effective possession of the rights which Parliament intended him to have.

61. With a view to advancing in the direction of uniformity of administration, steps should be taken to impose on all Approved Societies identical rules with regard

the Manchester Unity further said (31,940), "I attach no importance whatever to the question of self-government in the matter of insurance. In the first place . . . because the insured people in this country are not self-governed . . . they are governed by officials and controlled by officials, and they have no interest whatever in the society they belong to. . . . There is no difference whatever between an extension of the Prudential system or the National Amalgamated system and one administered by the Commissioners through its own officials." (31,943) "Run from Whitehall?—Yes. . . . My idea is, that compulsory insurance and the control actually exercised by the Commissioners over the approved societies is entirely killing the voluntary side of the work, and presently there will be no voluntary side" (31,944). "The hope of increasing the voluntary thrift movement lies in a very strict administration of compulsory national insurance by state officials." Mr. Wright explained that he was only giving his own personal views, without communicating with his society. Miss Crisp, Norwich, says that the members on the State side do not go to meetings when specially summoned (39,174). The Secretary of the North London District of the Manchester Unity (41,587) gives particulars of three new lodges formed entirely for State Insurance, Mabys (2,747 members), Kingsway (2,677 members), Holborn (1,323 members). When Holborn Lodge was summoned to a general meeting, two turned up; when Kingsway was summoned not above 10 turned up; and when Mabys was summoned three or four came (41,590). The witness agreed that it would be fair to say that the National Insurance for these lodges was conducted as a thing quite apart from friendly society life (41,591). The Secretary of the Amalgamated Co-operative Employees similarly said (36,239), "I feel that it would be better if the State in some way or other took over the administration of the Act entirely." He had not consulted his Executive but had submitted such a proposal in his outline of evidence to every member of his Executive and they had not objected (36,275).

⁶ The Royal Liver (10,196–10,203), if malingering is suspected in low wage earners, pay benefit amounting to two thirds of the wages and notify the recipient that the rest will be paid on declaring off.

⁷ Liverpool Victoria refuse "in the first instance" in every case (2139). Royal Liver (9919) "do not admit simple pregnancy, but when there is a disease accompanying it we admit it." Card Blowing and Ring Operatives (539) refuse. Co-operative Wholesale (12,403) "never pay on certificates for pregnancy unless there is something else." Manchester Unity leaves the question to the lodges. Some do pay (31,877), but (31,904) "the great volume of opinion is against it." The Manchester and Salford lodge of the Manchester Unity (41,536–41) never pay if the certificate bears the word pregnancy no matter how many other causes of illnesses there may be. The Order of the Sons of Temperance paid originally (24,837) but do not pay now (24,834–5–6). The Prudential originally paid all such claims, but "I came to the conclusion it was not possible for the society to go on on that basis. We had claims starting in the second, third, and fourth months of pregnancy . . . and I came to the conclusion that the situation was serious." (Barrand, 5270) He has now arranged that these claims shall be specially dealt with. "In no case" are they paid locally but are referred to the head office, and payment is not made without a special medical examination (5133). National Federation of Women Workers do not pay on certificates for pregnancy only (11,410) except under special circumstances (11,414–5–8). The Bradford Trades Council formerly paid, "but since last August, after the conference with the Commissioners, we have refused to pay benefits on pregnancy only" (28,712). Dr. Rogers (medical adviser to the Bristol Insurance Committee) believes that "it is the law" that benefit should not be paid for uncomplicated pregnancy (15,777). Dr. Bond, speaking for the Leicester panel (18,515), says that "in the early beginnings" there was "a tendency . . . to put patients on benefit for pregnancy apart from bodily disease" . . . but this has now sunk to a negligible quantity. In cross-examination (18,649), he explained that the idea in originally giving such certificates of incapacity was that it was inadvisable that these women should work. Dr. Olive Claydon, (22,969), representing the Association of Registered Medical Women, says that, "most of the medical women" on her list do not certify for uncomplicated cases of pregnancy and the "large majority of medical men" (on the same list) "say the same." The clerk of the Bradford Insurance Committee says (36,995), "the practitioners and the approved societies know that they cannot certify for sickness benefit unless there is some disease arising out of, or entirely apart from, pregnancy." Dr. Harrison (38,222) refuses certificates for pregnancy only. He gives the case of a woman eight months pregnant to whom he had refused a certificate. She was not sick though "incapable of work owing to her condition" (38,224).

to (a) Punishment or Expulsion of Members ; (b) Misconduct affecting Eligibility for Benefit ; (c) Behaviour whilst on Benefit ; (d) Conditions of appeal, so as to secure to every member the full rights conceded to him by the Insurance Act, and a simple, easy, and gratuitous appeal against injustice. If this were done, evils resulting from capricious and arbitrary administrations might be lessened.

62. These reforms would, however, leave one of the most serious anomalies of the Insurance Act untouched. That anomaly is the present arrangement for the valuation of the societies and declarations of surpluses and deficits. It is unfair that a compulsorily insured person who is in no way responsible for the deficit which his society may show on valuation should, by some accident of choice in joining a society approved by the Government, be subjected to a reduction of benefit.

I agree with the finding of the Report that deficits resulting from segregation should be met, but the exception which is made in the case of mal-administration is hardly defensible. Where it is held that any particular excess in any society is due to mal-administration, approval should be withdrawn from the society, but the member should not be liable to suffer a reduction of benefit which has resulted from mistakes of management over which he has little, if any, real control.

63. If this recommendation is deemed too drastic, and if it is decided that in such cases reduced benefits must be declared, such members as desired should be allowed to transfer to the State Society hereinafter referred to with an appropriate reserve to cover their deficit.

64. The theory of the scheme was that the fear of a deficit would be an automatic security for good management. In practice this fear has, on the contrary, driven societies faced with a heavy drain on their funds, into desperate and sometimes illegal expedients.*

65. It is clear that other conditions and other precautions must prevail if deficits are to be met, as it is contended they must in fact be met. If, therefore, justice is to be done either to the one society as against the other, or to the individual as against the society, the State must assume a much closer control over the societies and a much more direct responsibility for their good management. The degree of independence of the societies from the State which remains, must break down in the same way as democratic government from within has broken down. Nothing valuable is in effect left of the system on which the Act was based. The friendly society spirit, the spontaneous oversight of the members by each other, the responsibility of each member for his society, and his pride in his society—the independence of the society from outside interference—the whole conception, in fact, of a little group managing its own affairs has vanished. These advantages were the only advantages for which simplicity and cheapness of administration were sacrificed. To secure these advantages, and to secure these only, the Act is now administered through many thousands of societies and branches with scattered members, instead of by a manageable number of local committees.

66. The case for private management has failed. It may have been right to make such an attempt. The administration of Compulsory State Insurance is a burden, and not a help, to friendly societies and to trade unions. The energies of these democratic institutions are strained to the breaking point, and the time of many of their ablest officials is spent on matters foreign to their true aims. They cannot and ought not to yield their members to bodies under the practical control of profit-making companies. To give each their responsibility into the hands of the State—probably working through popularly elected bodies—would be a different and a better alternative, but, as has been already hinted it is difficult to impose such an alteration

* One society found their claims for men below what was expected, and their claims for women much in excess. After August 1913 the Secretary stated he had struck off all cases of debility and anemia (*Thomas*, 4391). "We are bound to take some class of case and strike them off. It may be cruel, but we have to do it" (4392). "The doctor certifies that he is incapable of work, which may be true " in the opinion of the doctor, but when we come to examine it, we find that according to our allowance, " we cannot afford to pay for this class of case and we say we shall not pay it ; you may be capable or " incapable of work " (4528). The Co-operative Wholesale Society (13,220) suspended benefit of a woman who is found " washing or dressing her child." The Order of Druids Friendly Society would stop benefit if members were known to be doing housework (*Shaw*, 6863). Another society suspended from benefit 400 women out of a membership of 24,508 for doing housework (*Sanderson*, 17).

upon any society, and the following suggestion, which incidentally meets the case of the deposit contributor is made:—

67. A National Society should be organised by the Commissioners with—

- (a) Branches coincident with existing areas of the local insurance authorities ;
- (b) Rules framed by the Commissioners ;
- (c) Benefits administered by the Insurance Committees under the control of the Commissioners.

The members of such societies should be—

- (a) Any insured person who is not a member of an approved society ;
- (b) Any insured person hereafter dropping out of an approved society for any reason whatever and not within one month being accepted by another ;
- (c) Any person desiring to transfer to such Society ;
- (d) Members of societies from which approval has been withdrawn.

Any society should be allowed to transfer its engagements to the aforesaid National Society.

Social Value of the Insurance Act.

68. In conclusion, there can be no two opinions as to the great social value of the Act, in revealing the condition of the mass of working women, and the effect which their low wages have upon their health—questions which up to now have been almost totally neglected. As has been shown, even doctors in poor practices have been amazed at the amount of unexpected and unrelieved suffering that has been brought to light. The Act has shown the country what poverty really means. It has shown that people who are underfed, badly housed, and overworked are seldom in a state of physical efficiency ; and has expressed in terms of pounds, shillings and pence the truth, that where an industry pays starvation wages, it does, in literal sober fact, levy a tax upon a community.

MARY R. MACARTHUR.

MEMORANDUM B.

BY

MISS IVENS.

I concur in the clauses of Miss Macarthur's Memorandum referring to maternity and pregnancy, namely 18 to 28 inclusive.

M. H. FRANCES IVENS.

MEMORANDUM C.

BY

MR. W. MOSSES.

Among the chief causes of excessive sickness claims are:—

- (1) Declarations on benefit for minor ailments and ailments which are insufficient to incapacitate ;
- (2) Continuation on benefit without justifiable cause.

The great majority of trade union and many friendly and collecting societies rely wholly on the medical certificates supplied by panel doctors, who in very many cases treat the relatives of the insured person as private patients and whose interests therefore lie in the direction of standing well with their panel patients ; in such cases it is somewhat difficult for a doctor either to refuse a declaring-on certificate or to decline to give continuing certificates, even when he is satisfied that the patient is fit to resume work. It appears, therefore, that the only way by which the absolute

independence of the doctors can be secured is by the establishment of a whole-time State medical service. The difficulty of maintaining such a service in sparsely populated rural districts might prove a serious obstacle to the general institution of such a scheme, but in populous industrial areas this objection would not apply, and the experiment might well be tried in such selected districts as show an abnormally high incidence of sickness, and where, apart from the question of safeguarding the interests of the Approved Societies, the doctor could give greater attention to sick insured persons than is possible in a mixed practice.

WM. MOSSES.

MEMORANDUM D.

BY

MR. W. P. WRIGHT.

Whilst fully concurring in the Report of the Committee and the findings and recommendations based thereon, I desire to add :—

1. It is highly desirable that women's sickness, pregnancy, and maternity benefits should be administered solely by women officials. Under no circumstances should an insured woman be required to hand her medical certificate of incapacity to a male official, nor should any benefit be paid at an insured woman's home except by a woman visitor. Quite apart from the diseases referred to in paragraph 143 of the Report, it is conceivable that in respect of many other diseases there may be a natural objection on the doctor's part in issuing, and on the insured woman's part in receiving, a certificate which is to be subject to the scrutiny of a male official of an approved society.

2. If pregnancy benefit is fully to accomplish its object, it is necessary not only that the insured woman should be periodically seen by a doctor, but that she should also be subject to a certain amount of surveillance by an experienced visitor during the time she is in receipt of the benefit. Whilst expressing no definite opinion as to the authority upon whom the responsibility of administering this benefit should devolve, I am constrained to say that such evidence as we have received forces one to the conclusion that the approved societies are not at present sufficiently well organised and officered for this purpose.

3. The competition which exists between the various classes of approved societies is responsible for many improper payments of sickness benefit. This competition has diverse effects. Some societies, apparently, make it a practice to deal overgenerously in cases of breach of rule and in other respects with their members, in order to ensure present popularity. Others administer so strictly as to sometimes create hardships and injustice with a view to ultimate popularity resultant upon a valuation surplus. Equal treatment for all insured persons could only be brought about by the abrogation of the approved society system. This is impracticable at the moment, although experience will probably make its necessity more apparent. In the meantime, however, efforts should be made to ensure the adoption by all approved societies of model rules regulating the conduct of insured persons whilst in receipt of benefit, defining the duties and obligations of sickness visitors, and stipulating the penalties for breaches of rules, and the steps to be taken for the enforcement thereof.

4. I dissent from the suggestion that any part of the cost of a system of medical referees should be drawn from the funds of approved societies, and I have agreed to the proposal that a nominal fee should be paid by approved societies solely with a view to preventing unreasonable or vexatious reference of cases. I fear that the imposition of the nominal fee suggested may deter small societies, and small branches of affiliated societies, from making reasonable and proper use of the referees, and I suggest that the Commissioners should confer with such societies, with the object of devising means for the avoidance of this difficulty.

WALTER P. WRIGHT.

NATIONAL INSURANCE ACTS, 1911-13—*contd.*

HEALTH INSURANCE—*contd.*

RETURN AS TO THE ADMINISTRATION OF SANATORIUM BENEFIT from July 15th, 1912, to January 11th, 1914.

[Cd. 7386] of Session 1914. Price 1*d.*, post free 1½*d.*

LIST OF SOCIETIES APPROVED up to 31st December, 1913, by the National Health Joint Committee and by the National Health Insurance Commissioners for England, Scotland, Ireland, and Wales. List 14*a.* (1914.) Price 9*d.*, post free 1*s.*

MEMORANDUM ON THE ARREARS OF CONTRIBUTIONS OF EMPLOYED CONTRIBUTORS. Explains the Scheme embodied in the Draft Regulations, dated 8th May, 1914, for the Reduction, Postponement, or Suspension of Benefits of Employed Contributors who are in arrear with their Contributions; with an Actuarial Memorandum on the Financial Basis of the Scheme outlined above.

[Cd. 7431] of Session 1914. Price 1*d.*, post free 1½*d.*

MEMORANDA OF DECISIONS under Sec. 66 of the National Insurance Act, 1911, and Sec. 27 (2) of the National Insurance Act, 1913. With Index. Memo. 151. Second Edition. (1914.) Price 6*d.*, post free 8*d.*

RECEIPTS:—Return for the year from 13th January, 1913, to 11th January, 1914, and also for the period from 16th December, 1911, to 12th January, 1913, showing (i) the Receipts from Stamps sold; (ii) the Aggregate Expenses paid; and (iii) the Sums voted by Parliament in respect of the Benefits given under Part I. of the National Insurance Act, 1911, and the National Insurance Act, 1913.

H.C. 364 of Session 1914. Price ½*d.*, post free 1*d.*

BENEFITS:—Return showing, approximately, the number of Insured Persons who received each week (i) Medical Benefit, (ii) Sickness Benefit, (iii) Maternity Benefit, and (iv) Sanatorium Benefit; the Average Weekly Cost of such Benefit; the Aggregate Cost of each Benefit for the period ending 11th January, 1914; and the Number of Insured Persons who have received one or more of these Benefits in the period ending the 11th January, 1914.

H.C. 365 of Session 1914. Price ½*d.*, post free 1*d.*

NATIONAL HEALTH INSURANCE COMMISSION (ENGLAND).

STATEMENT of the Numbers of Insured Persons, the Membership of Approved Societies, and the Number of Deposit Contributors in Counties and in County Boroughs in England.

[Cd. 6831] of Session 1913. Price 2*s.* 2*d.*, post free 2*s.* 6*d.*

NATIONAL INSURANCE ACT, 1911.

PART II. UNEMPLOYMENT INSURANCE.

PARTS II. AND III. OF THE ACT, with Schedules, Explanatory Memorandum, and Statutory Regulations, Rules, and Orders in connection with Unemployment Insurance. March 1913. Price 3*d.*, post free 4½*d.*

FIRST REPORT on the Proceedings of the Board of Trade under the above Act. With Appendices.

[Cd. 6965] of Session 1913. Price 9*d.*, post free 11½*d.*

REGULATIONS made by the Board of Trade under the above Act.

H.C. 121 of Session 1912-13. Price 3½*d.*, post free 4½*d.*

SUPPLEMENTARY REGULATIONS, dated 8th January, 1913.

H.C. 418 of Session 1912-13. Price ½*d.*, post free 1*d.*

UMPIRE REGULATIONS, dated 26th March, 1912, under Section 91 of the Act.

H.C. 78 of Session 1912-13. Price 1*d.*, post free 1½*d.*

DECISIONS GIVEN BY THE UMPIRE RESPECTING DEMARCATION OF TRADES, up to and including those published in the "Board of Trade Journal" for February 12, 1914. With Index. Price 1*s.*, post free 1*s.* 3*d.*

DECISIONS GIVEN BY THE UMPIRE RESPECTING CLAIMS TO BENEFIT. Vol. I. Nos. 1-500. Given up to March 19, 1914. With Prefatory Note, the relevant portions of the Act and Regulations, and Index. (1914.) Price 1*s.* 3*d.*, post free 1*s.* 7*d.*

ACCOUNT showing Nature and Amount of Securities held as investments for moneys forming part of the Unemployment Fund.

H.C. 291 of Session 1913. Price ½*d.*, post free 1*d.*

INQUIRIES WITH REGARD TO DRAFT SPECIAL EXTENSION ORDERS:—

REPAIRING WORKS OF CONSTRUCTION. The Inquiry commenced June 15th, 1914, and was adjourned *sine die* June 26th, 1914, having sat for eight days. Each day's Evidence published separately, price 1*s.*, post free 1*s.* 1*d.*

SAW-MILLING, INCLUDING MACHINE WOODWORK. The Inquiry was held on 2nd and 3rd July, 1914. Each day's Evidence published separately. Price 1*s.*, post free 1*s.* 1*d.*

REPORT

OF THE

DEPARTMENTAL COMMITTEE

ON

SICKNESS BENEFIT CLAIMS UNDER THE NATIONAL INSURANCE ACT.

The Minutes of Evidence are printed separately in three volumes as follows:—
Vol. I. Minutes from 15th October, 1913, to 18th December, 1913, as [Cd. 7688]; Vol. II., Minutes from 31st December, 1913, to 5th March, 1914, as [Cd. 7689]; Vol. III., Minutes from 11th March, 1914, to 22nd May, 1914, as [Cd. 7690]. The Index to the Minutes of Evidence is printed separately as [Cd. 7691].

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NATIONAL HEALTH INSURANCE.

APPENDIX
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SICKNESS BENEFIT CLAIMS UNDER THE
NATIONAL INSURANCE ACT.

VOLUME I.

MINUTES OF EVIDENCE,
15th OCTOBER, 1913—18th DECEMBER, 1913.
Q. 1—Q. 15,314.

The Report of the Committee is printed separately as [Cd. 7687]. The remainder of the Minutes of Evidence is printed as follows:—Vol. II., Minutes from 31st December, 1913, to 5th March, 1914, as [Cd. 7689]; Vol. III., Minutes from 11th March, 1914, to 22nd May, 1914, as [Cd. 7690]. The Index to the Minutes of Evidence is printed separately as [Cd. 7691].

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H.C. 140 of Session 1914. Price ½d., post free 1d.

REPORT for 1912-13 on the Administration of Part I. of the Act :—

Administration in England. (*Reprinted* 1914.) Price 3s. 6d., post free 3s. 10d.

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REPORT to the National Health Insurance Joint Committee, of the Advisory Committee on Investments.

[Cd. 7498] of Session 1914. Price 1d., post free 1½d.

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NATIONAL INSURANCE ACTS, 1911-13.

HEALTH INSURANCE.

REPORT, for 1913-14, ON THE ADMINISTRATION OF NATIONAL HEALTH INSURANCE.

The Report is in six parts; Parts 2 to 6 having Appendices.

Part I.—Introduction. The Scope of National Health Insurance and the National Insurance Act, 1913.

Part II.—National Health Insurance Joint Committee. The "General" Portion contains the constitution and scope of the work of the Joint Committee, Medical Research, National and International Societies, other Committees assisting the Joint Committee; &c. The Actuarial Section contains Tables of Transfer Values, the Crediting of Reserve Values, Arrears, Benefits for Exempt Persons, Financial position of Approved Societies, &c.

Part III.—National Health Insurance Commission (England). Approved Societies :—Organisation, Sickness Benefit, Maternity Benefit, Special Problems. The Collection of Contributions, the Receipt and Issue of Funds, and Investments. Insurance Committees :—Their Constitution, Powers and Duties; Administration of Sanatorium Benefit and of Medical Benefit; Insurance of Deposit Contributors. Questions respecting Liability to Insurance and Particular Classes of Insured Persons. The work of the Outdoor Staff. Conclusion.

Part IV.—National Health Insurance Commission (Scotland). The structure of the System of National Health Insurance. The Working of the System. Accounting and Finance. The work of the Outdoor Staff.

Part V.—National Health Insurance Commission (Ireland). Constitution of the Advisory Committee. Approved Societies. Accounting Arrangement and Management of the Irish National Health Insurance Fund. Insurance Committees. Questions as to Liability to Insurance and Particular Classes of Insured Persons. The work of the Outdoor Staff.

Part VI.—National Health Insurance Commission (Wales). Approved Societies, and the steps taken to assist them. The Collection of Contributions, the Receipt and Issue of Funds, and Investments. Insurance Committees. Questions as to Liability, &c. Work of the Outdoor Staff.

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LIST OF WITNESSES.

Name.	Description.	Days.	Volume of Appendix and Page.
APPLETON, Mr. W. A. -	General Secretary, General Federation of Trade Unions for National Insurance and for Friendly Society Purposes.	15 and 16	Vol. 1, p. 332.
BARBER, Mr. W. -	Secretary, Bradford District Trades Council Approved Society.	39	Vol. 2, p. 449.
BARKER, Mr. J. -	Assistant Secretary, United Society of Boiler Makers and Iron and Steel Ship Builders.	11	Vol. 1, p. 234.
BARNES, Mr. T. -	Secretary, Plymouth District, Independent Order of Oddfellows, Manchester Unity, Friendly Society.	59	Vol. 3, p. 410.
BARRAND, Mr. A. R. -	Secretary, Prudential Approved Societies - - -	6 and 7	Vol. 1, p. 130.
BELDING, Dr. D. T. -	M.R.C.S., L.R.C.P. - - - - -	48	Vol. 3, p. 162.
BELL, Mr. J. N. -	Secretary of the National Amalgamated Union of Labour.	57	Vol. 3, p. 375.
BENNETT, Dr. W. B. -	M.R.C.S., L.R.C.P. - - - - -	21 and 22	Vol. 2, p. 23.
BLUNDELL, Mr. F. N. -	Chief Warden, Lancashire Federation of Rural Friendly Societies.	2	Vol. 1, p. 37.
BOND, Mr. C. J. -	F.R.C.S., L.R.C.P. - - - - -	24 and 25	Vol. 2, p. 97.
BONDFIELD, Miss M. -	Nominated by the Women's Co-operative Guild - -	57	Vol. 3, p. 361.
BROSTER, Dr. A. E. -	M.R.C.S., L.R.C.P. - - - - -	53	Vol. 3, p. 266.
BUCKLE, Mr. J. -	Chairman, Leeds Insurance Committee - - -	56	Vol. 3, p. 334.
BUNCH, Mr. C. -	Assistant Secretary, Hampshire and General Friendly Society.	14	Vol. 1, p. 304.
BURGESS, Dr. MILDRED	M.B., nominated by the Association of Registered Medical Women.	26 and 28	Vol. 2, pp. 146 and 178.
CANN, Mr. T. H. -	A member of the committee, Durham Miners Association.	49	Vol. 3, p. 194.
CHARLES, Dr. J. -	M.B., C.M., M.D. - - - - -	27	Vol. 2, p. 155.
CLARE, Mr. HARCOURT	Clerk, Lancashire Insurance Committee - - -	51	Vol. 3, p. 231.
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DANIELS, Mr. F. W. -	General Secretary, Ideal Benefit Society - - -	18 and 20	Vol. 1, pp. 396 and 426.
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DIVINE, Dr. J. -	M.B., C.M., M.D., nominated by the British Medical Association, Secretary of Local Medical Committee and Panel Committee, Hull.	45 and 46	Vol. 3, p. 119.
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HYNER, Mr. W. J. -	High Chief Ranger, Ancient Order of Foresters -	25 and 26	Vol. 2, p. 118.
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MACARTHUR, Miss M.	A member of the Committee	15 and 19	Vol. 1, pp. 316 and 405.
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COMMITTEE ON SICKNESS BENEFIT CLAIMS UNDER THE NATIONAL
INSURANCE ACT.

MINUTES OF EVIDENCE

TAKEN BEFORE THE

COMMITTEE

ON

SICKNESS BENEFIT CLAIMS UNDER THE NATIONAL
INSURANCE ACT.

Vol. I.

FIRST DAY.

Wednesday, 15th October 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT :

SIR CLAUD SCHUSTER (*Chairman*).

Mr. WALTER DAVIES.
Dr. ADAM FULTON.
Miss M. H. FRANCES IVENS.
Miss MARY MACARTHUR.
Mr. WILLIAM MOSSES.
Dr. JAMES PEARSE.
Dr. LAURISTON SHAW.

Mr. A. C. THOMPSON.
Mr. A. H. WARREN.
Mr. A. W. WATSON.
Dr. J. SMITH WHITAKER.
Miss MONA WILSON.
Mr. WALTER P. WRIGHT.

Mr. ALEXANDER GRAY (*Secretary*).

Mr. SAMUEL SANDERSON (*Managing Secretary of the Amalgamated Association of Card, Blowing and Ring Room Operatives*) examined.

1. (*Chairman*.) You are the managing secretary of the Amalgamated Association of Card, Blowing and Ring Room Operatives?—Yes.

2. An approved society under the National Insurance Act?—Yes.

3. And, apart from the Insurance Act, your society is a trade union?—Yes.

4. What is your membership?—30,104.

5. Under the Insurance Act?—Yes.

6. Of these, how many are men?—5,596.

7. How many are women?—24,508.

8. Of the women could you say, approximately, how many are married?—35 per cent.

9. You think there is reason for believing that claims which are not justifiable are being made in respect of sickness benefit?—Yes.

10. And allowed?—Yes.

11. Could you tell us as concisely as possible what makes you think that that is so?—A large number of women are certified as incapable of work through pregnancy, and sometimes through ailments due to pregnancy, such as lumbago and rheumatism, and when the money is not forthcoming they have returned to work on the following day. We also have had cases of women, who have children, going to a doctor and getting certificates for debility, anæmia, or rheumatism, and staying at home to nurse the children and drawing sickness benefit. We have had a number of cases of women who have drawn 26 weeks' allowance for alleged weakness and internal complaints, and who stated that they could not work, and immediately the 26 weeks' pay has been exhausted they have returned to work. There was one woman who said she could not walk when the sick visitor called first, but when the visitor returned unexpectedly later in the day she found the woman washing clothes.

12. Do you say that of your own knowledge, or from what has been reported to you?—I have sick women visitors who do nothing else but sick visiting.

13. What is the actual method they employ? Do you mind describing it so that we may understand

what they do? Are they solely employed in sick visiting?—That is the only thing they do.

14. What do you pay them?—25s. per week and expenses.

15. Where are they stationed?—All our members are in Lancashire; and in an industrial town like Oldham, with 10,000 members, we have one sick visitor who does nothing but look after the Oldham members. Then we have another in a big industrial centre like Bolton, who does nothing but look after the Bolton members. We also have one in Ashton, and in the other places which are small places, we have three of them. We have, in addition, one head sick visitor who goes round from place to place and superintends the work of those other sick visitors. This woman has been a nurse and a midwife.

16. I only desired to see exactly what you were referring to. Would you please go on?—One woman was supposed to be suffering from rheumatism. She could not rise from the chair to walk to the table to sign for her pay. But at night when the sick visitor went unexpectedly to her, the woman could be seen running down the street in order to get into her house before the visitor reached there. This was about 8 o'clock. Then we had the case of a woman going on the funds for alleged neuralgia. The sick visitor went to this house at 10 o'clock at night and the person who answered the door told her that the woman was not in. While this person was telling the sick visitor that the woman was not in, her husband came to the door and said that the woman *was* in, and was in bed. When the sick visitor wanted to see the woman she was told the usual thing about a man's house being his castle, and that people could not be coming up in that way. We also got information from some of the neighbouring people that she had gone to a hippodrome or a picture palace. If a woman is suspended she can come in a week afterwards with another certificate for indigestion or something of that kind. We have suspended about 400 cases of women.

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[Continued.]

17. Suspended from what?—From benefit; because we knew that they were doing household duties—washing, baking, and so on.

18. Do you go there in person and hear them before you suspend them, or what actually happens?—In the first place I suspend them, and everyone has the right of appeal to the executive board. But in very few cases, not more than 10 out of 400, have they appealed to the executive board. There is an impression among women that if they are incapable of work in the mill, they are entitled to benefit. They seem to have the opinion that although they can do work in the home—say, where there are four or five children, and there is considerable work to be done—they are still entitled to benefit. There is a misconception, I think, on this point. In Lancashire there are thousands of homes where you have, say, the father in receipt of a small wage—

19. Now you are coming to what you regard as the causes?—Yes. The father is in receipt of a small wage, say, 19s. to 24s. a week. Perhaps there is a family of three or four. These people are supposed to get sufficient to eat, and the mother is compelled to go out to work, often, I suppose, against her own inclination.

20. What are her wages as a rule?—From 14s. to a 1l. per week. But with the 7s. 6d. State sickness benefit and the husband's wages, she has sufficient to keep the family going, because she is saving the money she would have had to pay for having the children looked after.

21. What money is that?—A few shillings; and there is the washing and baking. She would have that to pay for. I consider that the 7s. 6d. at home and being able to look after the children, and to do the washing and baking herself, would be equal to what she got by going out to work and having to pay for all these things.

22. Is your suggestion, with regard to the cases you have been mentioning and their causes, that this is a deliberate performance on the part of the women, or is it partly sub-conscious?—It may be sub-conscious.

23. What do you do about it? Do you talk to them, or try to explain to them, that that is not the way the thing ought to be done?—Yes.

24. What answers do you get from them?—The women workers of Lancashire have not much knowledge about insurance, and I am not quite sure whether there is the same honesty among the women as among the men.

25. Let us leave that rather controversial proposition alone for the moment. Would you say that there is a sort of general ignorance about the principles of insurance among the men as well as among the women, or among the women only?—Mostly among the women.

26. To what do you attribute that? Have many of them been in clubs before?—No.

27. They were in the union?—Yes.

28. But not in clubs?—They were not.

29. Did the union pay anything besides strike pay?—No, only stoppage pay if the mill were stopped, but it never paid sickness benefit.

30. They were introduced to sickness benefit first when they came within the provisions of the Insurance Act?—Yes.

31. Do you find now, after this length of time under the Act, that any difference is being made in their minds? Are they beginning to realise what it means?—They are beginning to be more wary about the sick visitors catching them, and in locking their doors. I do not want to imply that all the women are like this, but only a small percentage. Most of the women are honest, but we have a percentage, a certain number of women, who appear to think that as they have been forced to pay contributions, they ought to get it back.

32. Do you attribute that to a sort of real, genuine ignorance of the thing, or do you attribute it to wickedness, or sometimes to the one cause and sometimes to the other?—Half and half.

33. Because you say in the proof of the evidence which you have submitted, "I do not find any mis-

"understanding of the principles of insurance." Would you not like to modify that statement having regard to what you have just stated?—That is what it amounts to. I go on in my outline of evidence to refer to certain matters as to how to obtain benefits. What I mean is that the newspapers and a lot of people go about advising them about insurance, and if a person wants information it is very easy to get it by going to the secretary of the insurance committee, which they do.

34. That is not quite the meaning of my question. What I had in mind in asking the question was this—more or less what you have been saying yourself—that these people who have been introduced for the first time to the insurance system, under which they have to pay certain contributions whether they expect to be ill or not, might think that a rather strange proposition?—Yes.

35. And the fact that the idea was strange would cause them to look upon the money paid in insurance as a kind of savings bank, so that they could go and have it out?—Yes; except that they paid in 26 sixpences and they want to have out 26 seven-and-sixpences.

36. You have said that your union never paid any sick pay?—Yes.

37. Have you any general knowledge as to how far the women were in any clubs outside the union?—I do not think many of the women were in friendly societies. Generally speaking, I should say the women are not in friendly societies.

38. So that when they are sick they draw 7s. 6d. and no more?—That is all.

39. So the question whether it pays them to be at work, or pays them to be sick, depends on the calculation which you have already given to the Committee?—Yes.

40. With regard to unwillingness to return to work if they are fit for it, falling short of deliberate fraud, you say there is unwillingness to return to work when they are fit, especially in the case of married women. Is that anything more than the natural disinclination of all people to labour? We all dislike to come back to work?—It is so, especially in the case of married women. If you get a woman off the funds after a few weeks, it is best; but if they get on the funds and stay on, say, four or five weeks, there is then less inclination to go back to work.

41. Have you got any figures with which you can supply us as to the comparative length of stay on the funds of these insured persons who have declared on?—No.

42. Turning to the last heading of your abstract of evidence—"Deliberate and conscious fraud," what do you say about that?—It is difficult to prove deliberate and conscious fraud. If we get a person with a doctor's certificate you might have your suspicions, but when you find these people able to wash and bake, and look after the house, and looking fairly well, and when you take that in conjunction with the figures as to the number of people who are ready to come before the medical referee, I am afraid there is a certain amount of fraud which you cannot prove, or which it is very difficult to prove.

43. You say something about unwillingness to come before the medical referee, and perhaps you will deal with that later on?—Yes. I have all the statistics about them.

44. Is there anything that you would like to add on that?—I think that the worst sinners are the married women whose husbands are getting 2l. a week—young married women. I do not find malingering among the very poor classes of our members. I think it is mostly among the women whose husbands are getting, say, from 30s. to 2l. a week.

45. I do not want to press you, but I do not want you to think that this Committee is concerned only with what is commonly called malingering. There may be other causes of heavy drains on your funds which have nothing to do with malingering at all. It may be possible that some of these women ought to be on the funds, though the result may be a heavier drain than you expected. What do you say about that?—First of all, our women work in the mills. They work among machinery, just the same number of hours as

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men, and they enter when children. Some of these women, those, for instance, who do draw frame tenting and ring spinning, have work which is as hard physically as any man's job, so it is only natural to suppose that there will be a higher sickness rate among the women, because, physically, women are weaker than men, and, constitutionally, through child-bearing and for other reasons, they are also weaker.

46. Another thing. One naturally expects to find higher and exceptional abstentions in the case of women owing to the incidence of child birth. What I understand you to say is that there are women in a state of pregnancy who might work and do not work?—Yes. Suppose a woman has a complaint which she gets in pregnancy and she gets over the complaint, she is naturally sensitive about going to work again, and she can easily get certificates.

47. What do the certificates say?—Lumbago, rheumatism. The diagnosis of the doctor is very little to go on.

48. I do not know enough about the inside of the places where these people work. May it not be with regard to some of these people that, although they are perfectly normally pregnant, yet working in the conditions in which they do work may be bad for them. What do you say about that? The medical men, quite naturally, say: "Do not go back to a place where you 'have got' to be lifting your arms over your head 'all day'?"—That is more a medical question as to whether a pregnant woman should work.

49. What I wanted you to consider was the experience with regard to that?—My experience is that, before the Insurance Act, they worked until about a month before their confinement, and they do not do so now. It may be better for the woman: I suppose it is better for the woman.

50. In many cases you find a distinct increase of the period in which they do not work?—Yes.

51. You find that that increase of the period corresponds with the period in which they are on the funds?—Yes.

52. I will pass now to the next heading of your evidence, which is the suggestions about the doctor. The first point which I would suggest to you is as to the general attitude of the profession towards the Act. I want you here to be as particular as you can. One hears all sorts of statements. What we want are facts. What have you to say about that?—I think at the beginning, or before the coming into force of the Act, the doctors, or at any rate many of the doctors, were antagonistic to the Act. I think that there has now been an improvement in that respect.

53. On what do you base these propositions?—We come into contact a great deal with the doctors. It seems to me that it is a good thing, both for the approved societies and the doctors, to get more into touch with one another. We know that at the beginning they were antagonistic, and that they are not now so antagonistic, and are prepared to give information.

54. To approved societies?—Yes. But that has only recently come about. When the Act came into force at first the doctor was in a peculiar position, especially the doctor who had his own patients, and it seems to be very easy for people to get certificates. Most married women, especially when they have gone to work at the early age of 12 or 13, will always have some complaint. I mean a woman who had gone to work at that early age and has children, is always in that condition that she could get a certificate, and she would probably be justified in getting a certificate.

55. Still, on the main point you notice an improvement in the general attitude of the profession in Lancashire towards the Act. At first they were antagonistic and rather anxious to score off you, and now they have become friendly?—More friendly than they were. I do not say that they are altogether friendly.

56. Do you find that general throughout your whole area?—Yes.

57. It is not confined to any particular town?—I should say in Bolton they will easily get certificates. I can only give my general impression. You cannot prove these things.

58. Do you find that your general impression differs with regard to county boroughs and the county, or do you find that it applies generally?—We find a big difference in Oldham and Bolton. They are both county boroughs. You find in Oldham the doctors coming round very nicely, whereas in Bolton we do not find that at all. We find the doctors in Bolton saying to the people: "Give no information to the sick visitor." We do not find that in Oldham or in Ashton.

59. Have you made efforts in these places to get into touch with the doctors generally?—Yes. We generally try to find out who are the leading men in the different towns, and we have then gone to see the doctors. We have been able to manage that in some places, but not in Bolton.

60. Why not in Bolton?—They freeze you off.

61. Have you done the same thing in the county?—We have not done much in the county.

62. Perhaps that is all you would like to say under that head. The next question is very important. To what extent do you think attention is being given to the distinction between illness which under the Act is a specific disease, or a bodily or mental disablement, of which notice has been given, rendering the person incapable of work, and a disease which does not render a person incapable of work?—We have only had two certificates where the doctor certified the person as not being incapable of work. They have given them a certificate for a complaint, no matter how slight, such as *ernache*. It would appear they always give a certificate of incapacity for work. We do not find the doctors of Lancashire making any distinction.

63. It does not follow that because the certificate does not make a distinction, that a distinction has not been made. Do you think that whenever a doctor finds that somebody is unfit to go to the mill, he will necessarily give a certificate that that person is unfit for work? Take the case that you mentioned. Would you say that women who are quite capable of stopping at home, minding the children, are not capable of going to work and under the circumstances get certificates? Do you think that the doctors have addressed their minds to the question whether there is a distinction between those two states?—I do not think so. I think that that is a very important point.

64. Are you yourself an old member of a friendly society?—Of the trades union.

65. You have never before been a member of a friendly society?—I have been a member of the Oddfellows.

66. Are you still in the Oddfellows?—Not now.

67. You are probably familiar with the Oddfellows' practice?—No, I took very little part in their business. I have been an official in the trade union about 18 years, and I have worked all my life among women.

68. What is the form of the certificate you use with your society?—The doctor supplies the initial one, and I have here the continuation certificate which we use.

69. The initial one is the ordinary common one in general use?—Yes, and we have given the continuation certificates to the member.

70. That states: "I hereby certify that I have 'to-day examined you, and that you are in my opinion 'suffering from —'; then there is a blank with an asterisk —"and are thereby rendered incapable of work." Then the asterisk says: "This space is provided for the doctor to insert the name of the specific 'disease or bodily or mental disablement,' which really gives the person a claim for sickness benefit under the rules of the great majority of approved societies. That is the form that comes to you from the doctor?—Yes.

71. Does that blank come forward filled in?—Yes.

72. Does it come forward filled in so that you can recognise what the disease or disablement is?—No. They might as well leave it out in some cases.

73. Generally speaking, is the information which you are looking for filled in in that space?—Yes, it is now. And if I cannot ascertain from it what the disease is, I send back the form.

74. You get the information you require?—Yes. I only commenced this practice about a fortnight ago. I must know the complaints which the people have got.

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75. Does that form come to you at your head office or at your local office?—There is an agent in the district who sends it in the ordinary course to me at the head office.

76. Where is your head office?—In Manchester.

77. Does that agent return that on his own authority, or send it to you?—He sends it to me.

78. No payment is made until you have got that form filled up properly in your judgment?—That is so.

79. Have you found any reluctance on the part of the doctors to fill the form up?—Often.

80. That is all passed away now?—Yes.

81. Do you find reluctance on the part of the insured person to have that blank filled up?—No. Of course, sometimes the doctors put in bronchitis when it is something else, but they generally say confidentially what the disease is.

82. Has that been going on all the time?—No, not until recently.

83. What is the actual method of saying confidentially what the ailment is?—I write to them and they send back a letter, which is private and confidential, saying that the member was suffering from a certain disease, but they did not care to put it in the certificate.

84. Those are the cases where the confidential information is obtained on your own account. They do not write spontaneously to you?—No.

85. What causes you to imagine that when bronchitis is written down it should be, say, consumption?—In some cases our own medical man will suggest it. When you have a case of bronchitis lasting for 16 or 20 weeks, we have the person examined by our own medical man, so that we should know exactly what we are paying for.

86. So, generally speaking, you would say that the difficulties arising from the reluctance—from whatever quarter it arose—to have that blank filled up, are now passing away?—Yes.

87. I dare say you still find exceptional cases of obstinacy on either side?—Yes.

88. Has your experience led you to think that different systems of payment for medical service are, or are not, having an influence on the doctors—you understand there are two different systems?—Yes, the panel system and the pooling system. The pooling system is very bad. Manchester and Salford have the pooling system.

89. What you call the pooling system is payment by attendance, and you regard payment by attendance as bad?—Yes, very bad.

90. Why do you say it is bad?—There is a strong suspicion in my mind that in the case of certain doctors, often when the people want to declare off and go back to work, the doctors will suggest that they are not fit, and that they ought to have a few more weeks.

91. Is the suggestion that that is done by a doctor to try to earn fees?—It is being done.

92. You have had experience of that system in Manchester and Salford?—Yes.

93. How many of your members reside in Manchester?—1,000.

94. And in Salford?—600.

95. In Bolton the system of payment is by capitation?—Yes.

96. And Oldham and Ashton are the same?—Yes.

97. What about the county?—It is mostly capitation.

98. I would rather like to leave that question to be gone into by some of the other members. I only want to get your point before the Committee. Suppose you get this information filled up, and get the claim made, you have two classes of cases which come before you, cases which are perfectly clear and which you pay right off. You have also other cases with regard to which you entertain doubt?—Yes.

99. With regard to those in which you entertain doubt, what do you do?—In those cases we send a sick visitor. We get certificates for headache, earache, sore corn, and so on, and we send the sick visitor to these people, and they are told they had better go back to work.

100. Do you find that your own organisation is sufficiently strong and sufficiently well built to enable

you to deal with these cases? You have no difficulty in dealing with them?—Not much.

101. You have no difficulty in getting assistance from the medical profession so far as it is necessary to get it?—That is so.

102. You say in your abstract of evidence that there are about 100 certificates for things such as flat-feet and debility in which the people who suffered were addicted to drink?—Yes, we find that out.

103. You say you sometimes find the case of a person who is addicted to drink?—Yes. There was one case of a married woman who had a notice served on her for keeping a disorderly house, and she had got a certificate for debility. We would not pass a claim like that. We have got our information from our sick visitor.

104. The sick visitor goes to visit these people?—Yes.

105. And then you say you are not going to pay?—Yes, the member is written to.

106. That is a decision come to by the head office in Manchester?—Yes; every claim is dealt with at the head office.

107. The decision is come to by the managing committee on your advice?—Yes; the managing committee meet monthly.

108. Do you find that these people always accept your decision?—Yes, mostly.

109. They do not come requiring to be heard against it?—No; generally speaking, the decision is accepted.

110. Suppose that any person is in fact damaged by your decision; suppose that they are right and that you think they are wrong, what opportunity have they got to take the matter further?—Every member is told that he has the right of appeal, and that appeal would be to the executive board.

111. Sitting in Manchester?—Yes.

112. You think that they fully realise the rights which they have with regard to appeal?—Yes. There are times when I have been wrong, and it has been considered by the executive board. More information has been got about the case, and people have again been put on pay. Our visitors are not always right. Often I have done this. I have gone myself to see about these cases. I would go round to see the member myself. I would check the visitor's report, and if it were a proper case the member would be put back on pay.

113. Do you think that the provisions of Section 11 of the 1911 Act are being worked so far as your society is concerned?—There is a disinclination many times to go in for the compensation if they can get sickness benefit. Supposing a woman is earning 16s. a week, the compensation would be 8s., and sickness benefit would be 7s. 6d., and would be no bother to her.

114. Do you not watch these things?—Yes; we watch those things.

115. On the union side you know perfectly well when these people become incapacitated through accident? You know when any members are not at work?—No; our trade union society consists chiefly of women, and many women are off. It is not like a society of men by any means. There are many reasons why many women are not at work. It is common enough for a woman not to be at work.

116. They are not at regular work for the most part?—No. Sometimes women are on and off. The majority, of course, are at work, but there are always a great number who are not. It is not like a man's society. A man is working or he is ill. A woman is, perhaps, not working because some of the family are ill, or perhaps she is leaning the house.

117. Take the union side of your business. What do you do there with regard to workmen's compensation claims?—If a woman meets with an accident it is her duty to report it to the union officials, who would deal with it.

118. If she does not report, you do not keep an eye on it?—No. In a big union, such as ours, which has 25,000 women members, they are off work for all kinds of causes; and, unless they come and tell us they have met with an accident, we have no knowledge of it.

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[Continued.]

119. How soon after the accident do you require them to tell you that an accident has happened?—Within about a week or a fortnight.

120. You do not require immediate notification?—No.

121. When they do give notice, do you make the claim for them apart from the Insurance Act?—Yes.

122. Do you act for them through your own solicitor?—Yes.

123. So it is a natural course for one of these women who meets with an accident to tell you of it?—Yes.

124. And for you to take proceedings. I do not suppose in the ordinary course it would be necessary to begin proceedings, but you would begin the business with the employers?—Yes. I have made out four or five thousand compensation claims. The employers outside have their own accident claims department.

125. You go straight to them?—Yes.

126. Have you found that there has been any fluctuation in the notices of accidents which have happened since the Insurance Act came into operation?—I found that we have had to point out that these people had met with accidents and were entitled to workmen's compensation, and not to sickness benefit.

127. Looking at it from the other point of view, I suppose you have a pretty steady ratio of persons employed to accidents which cause you to enter into these negotiations with employers in an ordinary year?—Yes.

128. Have you found that number diminishing?—I could not say.

129. You do not know what the union experience has been?—No.

130. Take the case you were speaking of, where you got the trade union officials to point out that there had been an accident, and therefore there ought to be a claim on the employer and not on your fund; by what means has that knowledge come to you?—If a woman has got a septic finger, in the mill, it may have been caused by a scratch against something, but in the case of anything in the way of a wound I always write to the member for fuller information as to how it happened, before passing the claim.

131. You also write to the doctor?—No. If there has been a scratch and the person reports to me that she has scratched her finger against such and such a thing, the case is simply handed over to the union side. We have accidents in the street, boards falling on people, any number of cases like that, and we have had to persuade the people to go in for compensation. In a few cases we have got them to do it and we got compensation. That saves our funds.

132. What we really want to know is this: is Section 11 being worked?—I should say, yes.

133. Properly worked?—Fairly well worked. In 800 cases I do not suppose there are a dozen where we have had to point out that they were compensation cases.

134. You are pretty well satisfied that other cases do not come along in another form and escape your knowledge?—Yes. Every case is very carefully watched and we get information in every case.

135. Turning to the question of the general machinery dealing with claims and the supervision of members in receipt of benefit, we have had some information already about your sick visitors. What do you do with the certificates when you get them from the doctor? Do you pass them on to the sick visitors?—No. Our society commenced with branches. I did not get my present position as secretary of the society until later, but I did not think that the best way of working was through branches, so it was made into a centralised society, and the branch secretaries merely became agents to collect from the members their cards and the certificates, which they send on to Manchester, where every claim has to be passed in, our office. In every case a call is made on the member by the secretary as soon as possible. We make it a point that every member upon the fund must be visited.

136. How often?—In some cases we know from one visit of the sick visitor that there is no question. It is merely a matter of paying the money.

137. Do they report to you in writing?—Yes.

138. What sort of reports do they make? Are they long or short?—Short. The word "doubtful" or something like that.

139. When you get such a report what do you do?—We have an examination by our own medical referee.

140. What is the procedure with regard to that?—I have here a postcard that we send to them, and the referee communicates with the doctor who gave the certificate.

141. Do you on your own authority come to the conclusion that you want a medical referee's examination?—Yes.

142. How many medical referees have you got?—One.

143. For the whole of Lancashire?—Yes.

144. Where does he live?—Just outside Manchester.

145. Does he travel about doing his examinations?—Yes.

146. In regular rotation?—Yes.

147. Is he paid a salary?—No. He is paid so much per examination.

148. Does it take his whole time?—No. It takes him three mornings in the week.

149. How far has he to go from Manchester?—Ashton and Wigan, Oldham, Bolton, and Rochdale.

150. He has a pretty long morning's work sometimes?—Yes. Suppose he went to Oldham, and we had forty cases in Oldham that we wanted examined, we would take a room and we would ask the people to come to this room.

151. You send them this postcard?—Yes.

152. "Dear Sir or Madam, Please attend at . . . on . . . to be examined by the medical referee?"—Yes.

153. What length of notice do you give them?—A matter of two or three days.

154. What happens when they have got broken legs?—We do not send for people with broken legs.

155. Take the case of people who cannot go, people who from their condition ought to be in bed?—I take it for granted that those people who are in bed are poorly. I am not going to spend 5s. on broken legs. It is not merely picking cases out from a diagnosis. We have a sick visitor who is a nurse. What I am doing now is, I find, a very good plan. Suppose the doctor goes next week to Bolton or Oldham, the sick visitor would go this week to these towns, and she will pick out the cases which she thinks should be medically examined.

156. At the same time the doctor writes to the panel doctor who has been attending the case?—Yes.

157. He does not ask the panel doctor to turn up and see the case with him?—They have done that.

158. What he really does is to ask for information?—Yes.

159. Do you find that he gets that information?—Yes.

160. You pay your referee 5s. in every case?—Yes, but if the person does not turn up, the doctor does not get the 5s.

161. On the other hand, the person does not get his 10s.?—Or 7s. 6d.

162. When did this medical referee business start?—In July.

163. How many cases have you referred?—745.

164. Of those 745, 25 for reasons which you regard as satisfactory were subsequently excused from attending?—Yes.

164a. I suppose that these 25 were genuine cases in which payment was given?—Yes. A lot of people have to attend hospital. Sometimes a woman, if attending hospital, could not come. We excused 25, which leaves 720.

165. Of those, 294 were knocked off the fund?—Yes. They did not turn up.

166. Did they go smiling?—The bulk of them declared off. Those who did not declare off were struck off.

167. They declared off themselves of their own motion when they got notice to attend?—Yes.

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168. So that the 294 includes both those classes?—294 declared off or did not attend for examination, and we struck them off.

169. Of the remainder, 63 were declared by the doctor to be in a fit state of health to go to work?—Yes.

170. 70 were allowed one week's more sickness?—Yes.

171. 138 were allowed two weeks' more sickness?—Yes.

172. 39 were allowed three weeks' more sickness?—Yes.

173. 13 were allowed four or five more weeks?—Yes.

174. 104 were certified to be unfit to return to work?—Yes.

175. I suppose you did not commit yourself to the definite statement that these people were going to be ill for another two or three weeks?—No.

176. We have tried to classify them as much as you possibly could, but you do not say that in four weeks this woman must return to work?—No. Sometimes we get a woman who is run down through anæmia or debility, and perhaps she goes away to stay in some place, and you will say that a matter of three weeks will get her back to her proper form. But all this is problematical. You might give three weeks, and she might be back in a week. We do not say anything to the person about the examination at all until we get to the end of the time that has been given, and then we say: "In the opinion of the doctor you should be about getting back to your work."

177. Have you got any idea with regard to the 720 as to how many were cases that have been on the fund for some little time, and how many were taken quite early in the course of being on the fund?—At the commencement, of course, I took all the old-standing cases. That is where the difficulty of picking those cases occurs, although the doctors come along to help me to pick cases out like those 104 cases. We might have bronchitis and things like that on the certificate, and when you come to examine the people you find that it is consumption, or it may be heart disease.

178. Have you any general observation to make? You do not find that there is any particular complaint which happens to represent a very large proportion of the 720?—Debility and anæmia.

179. Can you analyse the 720 cases, and say how many are men and how many are women?—Very few are men. I should think not more than 20 or 25.

180. The men are one-sixth of the whole society?—Yes.

181. Still you have not got any definite figures about that?—No.

182. Assuming that 20 are men and 700 are women, have you any figures as to the number who are married and the number who are unmarried?—I have not got the figures. They are mostly married. I go with the doctor to these examinations, and see the person myself.

183. Of these 720 cases, could you give us any idea as to how many were connected directly or indirectly with the state of pregnancy?—I should think about 30.

184. Out of the 700?—Yes. We would have lumbago, pains in the back, or rheumatism in the diagnosis.

185. But I am asking whether you find those things in fact connected or alleged to be connected with pregnancy, or quite apart from the condition of pregnancy?—With the exception of 30 they are quite apart from pregnancy.

186. So, roughly speaking, in the whole course of all the cases to which you have been referring you only found it necessary to dispute 30 claims made in connection with pregnancy?—Yes, we watch them pretty carefully.

187. What happens to the rest, because you told us that you had a great problem arising from this state, but only 30 have gone to the referee?—If we get a certificate of threatened abortion we pay it, but we never have that case examined.

188. But put that on one side. We should all be agreed about that. I understood that there were a lot of claims being made in connection with the state of pregnancy which were unjustifiable claims?—Yes.

189. What happens to them?—I have seen these people and said to them "pregnancy, unless it is such" as would lead to miscarriage, is not sufficient reason "for remaining off work," and there might be hundreds who have gone back to work in our society without coming to the medical referee.

190. That is one case which I clearly understand. There is also the case mentioned a moment ago where it is obvious the woman must not go back to work because she is really ill. But I understood that the suggestion was that between those two classes there was a huge mass of floating claims, which you found coming forward depleting your funds?—If we get a claim and the certificate merely says pregnancy, we, of course, know that, and say "That will not do," or if it says "Vomiting due to pregnancy," we know that and say "That will not do."

191. Then the claims are inquired into?—Yes, and in a lot of cases the women have gone back to work.

192. As I understand, all through your evidence there is a suggestion of the sick visitors going around to these pregnant women who are in receipt of benefits and having the door locked against them?—It is not merely pregnant women; they can all do that.

193. I only want to get the facts. I thought the suggestion was that, especially in the case of married women, and more particularly in the case of pregnant married women, there was a tendency to stop at home, which has resulted in an undue depletion of the funds. Is that so? I want you to banish from your mind the two classes of cases that you have mentioned. Is there besides that a great deal of stopping at home by others?—I must have had scores of cases of women certified for rheumatism. I pay them a matter of two months, and then they come on for the sickness benefit for maternity. While the diagnosis has been rheumatism, it has been pregnancy all the time. I have had a great deal of that.

194. Why do you not select those cases to send to the medical referee?—We are doing it now. We did not start it in the beginning, we only started it in July. The first thing we wanted to do was to get to know the positions of all the people who have been on the funds for a long time so as to get to know those whom we could put off.

195. At the end of July you sent to the medical referee all people who had been on the funds for a long time unless you knew that they ought to be on the funds?—Yes.

196. Since then you have been sending all these people to the medical referee?—Yes.

197. May I not infer that there were no people, or very few people, who had been on the funds for a very long time who were pregnant, because there were only 30 such cases out of the 720?—But I was not taking into account the large number of people who have sent certificates of vomiting, whom we have refused.

198. I think that there is something more that you want to say about machinery, and difficulties about hospitals, and so on. Would you develop that? I do not quite at the moment understand the point that you wish to make?—I will give you a case. There is a woman who has a fistula, and she will be a matter of many weeks making up her mind as to whether she will undergo an operation which, I believe, is the only cure for that disease. After making up her mind, she may be perhaps six weeks waiting for a bed in a hospital. If that woman had not to wait six weeks, that would be so much money saved to the society.

199. Have you made any arrangements with hospitals for any beds at all?—Not yet.

200. What you say comes to this, that it would be a great assistance in getting people off the funds if there were some ready means of obtaining surgical aid in hospital?—Yes. If you had a man with a fistula, he would perhaps get back in a month.

201. Why do women take a longer time than men?—I have two cases in my mind, a man and a woman. The woman would be some time making up her mind,

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whereas the man would simply know what had to be done, and he would go to the hospital and get it done. A woman would be some time before she would make up her mind for an operation; then she would think it over again before she would make application for a bed, and there would be a few more weeks wasted; and while in the case of a man four weeks might be sufficient, you would often perhaps have a dozen weeks in the case of a woman.

202. Do you find that indecision is peculiarly the property of the feminine mind?—A man has no choice about it; he has his wife and children to consider. He knows very well that he cannot afford to play with these things. If an operation is necessary, he will give up work, and get it done and get back. I suppose it is because he cannot help himself. He cannot afford to be dishonest.

203. What you are really saying is the same thing as before. The relation is so close between what she can get while on the funds and what she can get while working, that she has got no particular motive except her own innate honesty to go and get cured?—Yes.

204. I have gone through all the points which you have furnished; is there anything which you wish to add to that? There are some general observations through which I have not taken you, but I thought that they were present to your own mind. You have already called attention to the physical differences between men and women, and in Lancashire you say that the women work as hard as the men?—Yes.

205. You say that they begin to do that work at a time when they would require special care?—Yes. To become successful in a cotton mill a girl must go at 13 or 14; she must begin at the earliest possible age.

206. You say that that period is a particularly trying period for a woman?—Yes. I find that from the certificates which we get. If you take a lad of 16 you usually find him a good life, but so far as girls are concerned, I do not find that they are good lives. I find that many of them at the age of 16 have to come on the funds for anæmia and other weaknesses.

207. You refer to the segregation of particular types of persons in particular societies. I do not quite understand your point there?—Take the cotton mills in Lancashire; you have two societies, one consists of men getting wages of 2*l.* a week.

208. Which society is that?—The Operative Spinners. Then you have the card-room operatives in which are comprised all the women workers.

209. Eighty per cent. of the women workers?—Yes. It seems to me that you must get the cream of lives in the one society, and the opposite kind of lives in the other.

210. You think that they have got the best lives?—Yes.

211. You understand that it is the free choice of the person who joins the society?—Yes, I do now. I often think it a pity that we were not made to understand it a bit sooner.

212. I do not quite understand?—Trade unions were encouraged to form approved societies. Take the men in our society. They are at the beginning of the cotton industry, of the manufacture of the cotton. That is, as it were, taking all the dirt from the cotton.

213. Your card-room members?—Yes. The lives of such men are bad lives. You have a great deal of chest complaints.

214. Worse than the spinners?—A lot worse than the spinners. The spinners get from 2*l.* to 2*l.* 10*s.* a week. They do not want sick benefit, because it would mean a big sacrifice to drop from 2*l.* 10*s.* to 10*s.* a week. These men are good lives, whereas our members are bad lives; so that you have one society which can be making money hand over fist without the expense of a medical referee or sick visitor, while another society has to spend 1,000*l.* a year on these two items.

215. You are inclined to think that the women and the men with bad lives might be distributed among the societies which were not trade societies?—I think that it is a mistake to get in just one quality, especially if they are engaged in an occupation which is not a healthy occupation.

216. It appears to me that you exercise a very close supervision over these people?—Yes.

217. Such a closely organised supervision as perhaps might not be possible except in some form of trade society?—I may give you some figures as to the result of the sick visiting, only taking the women. Without the sick visitors the average payment per week was 32*s.* That works out at 3*l.* 18*s.* per woman per week.

218. Over what period was that taken?—The first quarter. That was the rate of sickness benefit from January to April 10th, 1913. In the second quarter I had sick visitors, and the average payment came down to 29*s.*, which worked out at 2*l.* 8*s.* per woman per week.

219. When did the sick visitors come on?—In April. In the next 10 weeks from July to the end of September, during which we had the medical referee and the sick visitors, we got the payments down to 2*l.* 5*s.*, and I do not know that they are going to come down much lower than that.

220. In the last two figures, you have taken in a sense the middle months of the year?—Yes; that is with the medical referee and most careful supervision. We are spending a thousand pounds a year to check any doubtful cases or any malingering, and it still works out at more than 2*l.* per woman per week.

221. I think I have gone through all that you have actually furnished, but I do not wish to leave you until you say everything that you wish to say?—Of course one has not had too much experience yet, but I am giving my opinion for what it is worth.

222. (Mr. Davies.) You have mentioned Bolton, Ashton, Oldham, Manchester, and Salford. There are other towns in which your society has been working, and I should like to get figures giving the approximate number of members for each town?—You may take Oldham, with 10,000; Bolton, with 4,000; Ashton, 3,000; Rochdale, 2,000; Hyde, 2,000; Blackburn, say, 500, and Accrington, say, 500.

223. What I want is the towns with big figures?—Oldham, Bolton, Ashton, Rochdale, and Hyde are the big towns.

224. I wish to get the towns with the big figures for the purpose of seeing where the visiting is wanted. Where are the six visitors placed?—I have one in Oldham and one in Bolton. Occasionally the one in Bolton may be sent to Bury. I have one in Ashton and one in Accrington. The visitor in Accrington takes all North-East Lancashire, Blackburn, and so on. Then I have a head visitor who lives at Oldham and who goes round. Although these people reside in a certain town, that does not mean that they must always visit in that town. Many times I find it advisable to change a sick visitor. I try to cover the whole of Lancashire with the six visitors.

225. Do you consider the five sick visitors—because one is a superintendent—are sufficient to give a real and absolute supervision of sick members during sickness, or do you consider the visitor in Oldham with 10,000 members is sufficient to visit as often as is necessary? Do the visitors visit the members every week that they are on sick pay, or every fortnight, or every month, or do they visit according to instructions?—According to instructions, mostly weekly. But if you have a bad case and the doctor certifies that this person is unfit and is a bad case, say, of heart disease, then the visiting is not as frequent as in other cases.

226. Then you consider that your five visitors are absolutely sufficient to do any visiting that you think necessary?—I think so.

227. Have you had any experience of women in a condition of pregnancy, especially young married women, declaring on the funds by reason of being able to get a certificate from the doctor for the purpose of remaining on until they get the 26 weeks' sick pay and then not intending to go to work afterwards?—Yes.

228. Could you tell us how many, as it is a very important question?—I think half a dozen at the most.

229. In that case do you think that they are distinctly honest, when they know that they are not going to work any more?—They say they are going to

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work more, that they are going back when they get right, but they have not gone back yet. They may go back.

230. Having that opinion, is that one of the reasons why you say that the standard of honesty among women is not so high as it is among men?—What I mean is that it seems to me that a man is reluctant to be called a malingerer by getting money to which he is not really entitled, whereas a woman does not seem to mind it to the same extent.

231. Then I may take it that a man, because of his associates, would not mangle for fear of being found out, when a woman would not mind being found out if she gets the money?—Generally speaking, that is the case.

232. What percentage of women do you think were malingerers?—I am not able to answer that.

233. You have no idea from the notes you have already received from the doctors, and the number which you have submitted to your referees?—I have given the medical referee figures. It is right to assume that those who do not turn up are malingerers. If a person brings a note from a medical man certifying that she is unable to work, I may think that she is able to work, but I do not think that it would be fair to give that opinion as against the medical man.

234. Could you give us the numbers of young married women, and mature experienced married women, who are making claims? Is there a preponderance of young married women?—Yes.

235. Could you give us the figures with regard to the claims of young married women?—I have had a matter of 6,000 women on the fund.

236. (Chairman.) You have got 24,000 women in your society?—Yes.

237. Do the women in Lancashire go on working all their lives?—Some of them on and off. You might have a woman who would be away as much as five years and then go back again.

238. Is it not a common custom to stop away in a great many cases soon after marriage, and then go back again?—Yes.

239. Then later on in life perhaps they give up work again?—You will have a woman married to a man who works outside; in the cold and bad weather she is off back to the mill again.

240. You get all sorts of abnormalities and variations. I was wondering whether you do not find, as a fact, that the women workers run between particular ages?—No, I do not think so.

241. (Mr. Davies.) There is a large amount of married women labour in the Lancashire mills?—Yes, it is common.

242. They close the house absolutely in the morning and go to work. You said that women stay on the funds longer than you considered necessary. Could you say whether in many instances the doctors encourage them to do so or not?—Yes.

243. You give us that as your considered answer?—Yes. Of course, the doctor may be justified.

244. Would you consider that, in the case of many of these who are on the fund, and are supposed to be encouraged by the doctor to remain on, it is because they are absolutely broken down and what we would call not able to follow their employment, or that previous to the Act coming into existence these people required these benefits, but continued to work—I am talking particularly of mill girls now—when they ought to have had medical attendance and rest, and when two or three weeks' rest just at that period would have saved their womanhood later, and that doctors are now viewing the circumstances from that position; so that while the societies may consider that they are well enough for work, the doctors are taking this action in order that in the near future these girls may be saved from more serious illness? Have you any knowledge that you could give us on those lines?—The position is that most of the girls in a Lancashire mill have got anæmia. Their very calling, confined as they are for so many hours in the mill, and going out at such an early age, has such results that I suppose a large majority could go and get certificates, which may be very necessary, that they should leave off work.

244a. The work itself, on account of the humid atmosphere and the conditions under which they have

to work, naturally produces anæmia which, if not watched, produces something much more serious, and would ultimately disable that girl from following out the functions of a real living woman?—You can see our difficulty. We ask people to come for examination. It makes no difference to the doctor whether he sends them back to work or not; he gets his fee just the same. He is not in any way interested as to his report. It may be that, if some of them, who do not come, came to be examined, our doctor would say it would be better for them not to go back to work. Our own doctor, in certain cases, has said to people who have said that they were going to work on Monday, that he would advise them to stay at home for another fortnight.

245. (Chairman.) Your medical referee said that?—Yes. But if people do not come to be examined they are declared off. It may be that if they did come our own doctor would agree that they should have a longer time—another week or so.

246. (Mr. Davies.) So it does not follow that because they declare off they were not ill?—Certainly not. Still, by this time our members must have got to know what kind of man the doctor is. He is a very cheery, pleasant kind of fellow. There is no feeling at all on the part of any of our members against our referee, and there should be no disinclination on the part of any of our members to come along to be medically examined.

247. Is the postcard notice, which the Chairman has read, covered by an envelope?—Yes. It is in an envelope.

248. Should I be right in saying that several masters, when pregnant women reach a certain stage, refuse to have them in the mills, and say to them, "You had better stay at home," and under those conditions they get notes from the doctors and stay at home?—Not in Lancashire. We have no masters; it is all limited liability companies, and when a woman gives up work for confinement she gives up her place, that is in ninety-nine cases out of a hundred.

248a. Do the masters say to them, "You are in that condition and we think you are better at home," and thus clear them off, and leave the position vacant so that they then go to a doctor and get a note for some other cause, and declare on the funds, and remain on, until they are well. If that were so it would show that the masters forced them into that position?—In very few cases have I known women to have been turned off because of their condition. I have known cases of women, owing to their own sensitiveness, staying away on the trade union side.

249. My point is, does it obtain at all? It does not matter whether it is the masters or the leading hands who do it?—To a very slight extent.

250. So that it does not swell the claims on account of pregnancy either in regard to married or single members?—No.

251. With regard to the doctors, you state that the position has been improved between the doctors and the societies. How has that come about?—I think that the doctors have improved. In the first place we used to get certificates with blanks sent us. Most of the doctors now state the diagnosis. That is a big improvement.

252. This is not in response to the societies so much as on account of the new arrangement which the Commissioners have agreed to. I thought by your statement that there was some means of intercourse as free as that which used to exist under the old system between the society and the doctor, when there was no intermediate authority. You mean simply that the new system of continuation and declaring-off notes has remedied much of the old evil?—The panel doctor who would not, perhaps, give information to me would give it to the medical referee or one of his own fraternity. Our doctor, I should think, gets replies from doctors in, perhaps, 40 per cent. of cases. At first, when we appointed the medical referee, in July, the other doctors resented it. They did not care for another doctor being brought in. I think that is dying down. There were certain doctors who would say to the member, "Do not go," but I do not find that they are doing that now.

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253. Has it been the custom of your society to approach the insurance committee with regard to difficulties with doctors? Have you ever made any communication to the Manchester Insurance Committee?—Not yet.

254. So that they do not know any difficulties which may have arisen with regard to your society?—Because it is so very hard to prove. You have a person who, you think, could go back to work, but so long as he gets the certificate and the doctor says, "Stay out a few more weeks," he will do so. That doctor may be right or wrong.

255. Have any of your doctors stated that persons could stay on the funds for two or three weeks?—A person may say, "I must go in to my work on Monday," and the doctor may suggest staying out a few more weeks.

256. You accept a certificate of that kind?—Yes.

257. Does not the doctor see the person every week?—No.

258. You pay sickness pay without the doctor seeing the woman—why?—We get to know about these cases afterwards. You do not get to know all at once, and then when you have paid a certain amount, perhaps you find out that the doctor is giving certificates without seeing the person.

259. You said that in the first place the doctors would post-date a certificate sometimes for three weeks. I asked if in the interval the doctor saw the people and you said, no. Then I followed that up by asking, did you pay sick pay without a doctor seeing them every week?—We get the signature on the sick note. We have had cases of doctors signing certificates without seeing members. Some of our members would say to the doctor, "I am ready to go to work on Monday," and the doctor would suggest, say, three more weeks, and he goes on signing the certificate for those few more weeks, week after week.

260. If a case of that kind comes under your notice in which a man or a woman said, "I want to go to work on Monday," what action would you take?—The doctor would say: "For another week or two, I will not be responsible if you go to work."

261. You consider that whenever a person declares himself sick you should have the means by which to watch that sickness week by week in order that there should be no malingering, and that there should be a thorough oversight of the sickness you are paying for?—Yes.

262. That you consider is required?—On the experience we have had.

263. In that case, the experience you have had is not on account of any slackness by the sick visitor, but owing to the want of being in touch with the person that is sick?—That is so.

264. With regard to systems of remuneration of doctors, you stated that payment by attendance was bad. Why is it bad?—You see you soon get to know a doctor, and you know whether you can get a certificate from a certain doctor. They begin to form an opinion that if a person goes to that doctor he can get a certificate.

265. Have you any reason to assume that such is the case, and that a person going to a doctor where payment is by attendance knows he can get a certificate easier than by going to a doctor paid on capitation?—You can get a certificate easily both ways.

266. Then both systems are the same?—They are not the same. I have a case in my mind where a doctor does encourage people to remain at home, and I think if payment were on a capitation basis he would get them back to work.

267. Have you more than one case?—I have one doctor in my mind—that is what I mean.

268. How many members has that doctor in attendance?—I do not know.

269. How many members has a doctor under the Manchester Insurance Committee?—Speaking from memory, about a thousand.

270. One case in a thousand?—One that I know of.

271. You are only speaking of what you know?—Yes.

272. It seems to me that proportionately they are drawing a lot more money in Manchester and Salford?—There are a good deal more sick visits in Manchester and Salford than in other towns. They would sooner go anywhere than in Manchester and Salford.

272a. I should like if Mr. Sanderson could give us definite information with regard to the two systems and the cost in each case rather than give us an open question and no figures.

(Chairman.) I do not think Mr. Sanderson can answer that question.

273. (Mr. Davies.) Not at this moment. These are questions which I hope are pertinent to our inquiry. They are questions which have been agitating my mind, not only with regard to Mr. Sanderson, but to get at any available particulars. With regard to compensation, you said that there was a disinclination to go for compensation when a person was able to get sick pay. Can you give us any reason why that is so?—Indifference, carelessness. The desire simply to declare on and have no bother about it.

273a. In some places where they are badly organised there is always a suspicion that employers do not like paying compensation?—Yes.

274. Should I be right in asking whether there is a disinclination to go for compensation on account of the risk there is with regard to their situation, if they should go for compensation?—I think they imagine that, but I do not think there is any risk. I think that might be an imaginary risk, but I do not think there is any risk.

275. Is that disinclination to go in for compensation in the trade union side as well as the other?—Yes.

276. So that it affects not only this particular side?—Yes.

277. May I ask if there is a feeling of this kind owing to the society, under its rules, not taking up cases?—You ought to remember that this is a new society in the sense of a trade union. Of course, taking eighteen years back when I went into the society, people were afraid to go in for compensation. But gradually it has come to be looked upon as what they are entitled to do. But you have always a number of people who are timid and who do not think about it.

278. Should I be right in assuming that the reason you do not follow up the question of compensation is that the risk would fall on the society if you lost?—No.

279. That has never entered into the reasons for not pressing for compensation?—Compensation cases are straightforward. Suppose a finger has been taken off, there is no doubt about it, but supposing a woman has ruptured herself and it is not known for a month, she may work the month. These are the worst cases.

280. I want to know whether, the responsibility having been thrown on the society, the risk of having to pay the costs would deter you from taking up any of these cases—yes or no?—Oh, no.

281. With regard to the 2½d. per woman, I think you used the expression that you did not think you would be able to do better than that. Is that your best?—I do not at the moment see what else can be done.

282. Do you think there would be any bigger risk if the good times which have been experienced at the mills fell short, and we had bad times?—I am afraid so.

283. Do you think it would jump up materially? You know with people working so many hours, in some places 55½ per week, there is a danger of a few minutes at stopping and starting time. Suppose they got a 34 hours week. Is there a risk that from the lowness of the wages they would not go back to work? If they only worked three days a week as against six now, would it not be a greater reason for not going to work?—There would be a greater risk.

284. (Mr. Wright.) I want to ask Mr. Sanderson a question or two with regard to the system of administration of these societies. I think you told the Committee that the system of administration had recently been altered. Is that so?—Yes.

285. In the first six months before benefits operated? I ask you this because I find your rules

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provide that each society or branch affiliated shall appoint a committee, that the committee appoints a secretary, and that the secretary is responsible for receiving and attending to claims and complaints of insured members, and reporting them to the committee?—Yes.

286. May I ask whether it was because you anticipated that there would be malingering that you suggested or brought about an alteration of this system of working these branch committees?—Yes.

287. This is the opinion you express in these particulars we have before us. In your opinion there is reason for believing that claims which are not justifiable are being made as regards sickness benefit. Was this a preconceived opinion to some extent?—Well, there are two things to say. I think a centralised society would be better for uniform treatment. Our committees would be working men, who have been working in the mills 55½ hours per week, and I was a little afraid you would have one interpretation in one part and another interpretation in another part. That made me come to the conclusion that it would be better to take the work to one office.

288. You told us you have not had much experience of friendly society working?—No.

289. But you do recollect that when the Act was before Parliament as a Bill, stress was laid on the fact that by administering national insurance through the societies—the societies formed on mutual lines—that that would bring about a sort of vigilance on the part of each member, because he would be interested in the society. You do not share that opinion?—I do not.

290. You prefer that State insurance should be administered on purely business lines by paid officials?—I think so. Yes.

291. In fact, no committees now exist in your society for the purpose of taking any part in the administration of the Act, only the management committee?—These committees have merely been suspended. When I got the position as secretary the rules were already there. They were printed, and everything done.

292. Since benefits have been payable the committees have done nothing?—No.

293. No claims have been reported to them, and no complaints from insured persons?—No.

294. And in fact they have nothing to do with it?—No.

295. Therefore your knowledge and the evidence you have given is simply derived from the reports of your sick visitors?—Yes.

296. You have no committees whom you consult as to the local condition of the various branches?—Well, there is always the trade union committee.

297. How many times do the members of the trade union committee meet to consider insurance business—fortnightly?—They have no *locus standi* as far as insurance is concerned.

298. If you wanted to ask them generally whether the workers are absent from their work, and whether more sick benefits were payable than there were before, you can consult them as far as insurance is concerned?—Yes.

299. That is correct of your association?—Yes.

300. You told us of 400 women having been suspended from benefit?—Yes. A person would declare on, but the sick visitor might find that person doing household work.

301. But in all these 400 cases they were suspended before they actually received benefits, on the report of the sick visitor that after the receipt of the claim they were doing their household duties?—The majority had received payment.

302. How many appealed to the executive board of the 400?—Ten.

303. And the executive board would meet them in friendly conference?—Yes. That is the first step in the appeal.

304. By your rules the first step was to refer the matter to the executive board to confer with the parties to the dispute, and to endeavour to arrange a settlement by mutual agreement?—Yes.

304a. Do all these persons come to the executive board and take part in the conference?—They do not all come. They put an appeal in by letter.

305. There are 400 suspended. What number did come?—Only 10 appealed against suspension, and of the 10, some came and some appealed by letter.

306. In every case there was a decision, whether it was against the member or in favour of the member?—Yes.

307. Was the member requested to attend these conferences?—Yes.

308. Had in each of the 400 cases the doctor's certificate been produced?—Yes.

309. Was the medical referee consulted in each of the 400 cases?—No.

310. Therefore, your board on the evidence before them, suspended members from benefit, although they had produced the doctor's certificate stating that they were unable to work?—Yes.

311. Your executive board do not believe in the doctor's certificate?—I suppose so.

312. You disbelieved the doctors in these 400 cases. That is a fact, is it not?—Yes.

(Chairman.) I want to get this point quite clear. The last point was argument, and I am not quite certain we all apprehended what it was.

313. (Mr. Wright.) My question referred to the 400 cases in which these members were suspended. I asked the witness whether in every case the doctor's certificate had been produced to the society. He said, yes. I asked him whether in every case the matter had been referred to the medical referee, and he said, no. I then asked him whether, in effect, the position of the executive board was that they distrusted the doctor's certificate by saying on their own initiative, without a report of the medical referee, that they did not believe the doctors, and they did not believe the member was unable to work?—They were doing household duties, such as washing and baking.

314. Do you consider in these cases the insured persons were able to work?—I think household work.

315. You distrust the doctor's statement that they were incapable of work?—They may be incapable of their particular occupation, but if they are doing housework, such as washing and baking, I say they are not incapable of work.

316. You think that in a large proportion of the cases, the certificate that they are unable to follow their usual occupation cannot be justified?—I think that we ought to have a special certificate for women stating that they are unable to follow their usual occupation, or that they are unable to do their household duties. It is very different from men. Women can work at home, and they work perhaps harder at home than they would work in the mill.

(Chairman.) I wanted it quite clear what you said.

317. (Mr. Warren.) Your evidence has been mainly in relation to the women members of your society. You told us that you had 5,596 male members, and that with the male members you are fairly satisfied?—Well when I had been paying the benefits a short time, I began to be aware that I was paying a good deal more money for the women than I should be on the estimates on which our calculations were based.

318. A good deal more in proportion?—Yes. I was all right so far as the men were concerned. I took up the question of the women, and I have paid more attention to it up to now than I have done to the men.

319. You have no reason in giving us evidence to suppose that there is much malingering on the part of the men?—We do not find it. The sick visitors do not find it.

320. Are most of the men in your society members of a friendly society receiving other benefits?—I do not think so.

321. You would say that the wages they received was sufficient to guard them against the temptation of malingering?—Yes.

322. I notice in the early part of your statement that you say that women when they had their children sick

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could also get a certificate for themselves to enable them to remain at home and nurse their child?—Yes.

323. Voluntarily in such a condition as to warrant the doctor in giving them a certificate?—Yes, they may be.

324. You would say they were anæmic or suffering from debility?—Yes.

325. Have I to gather from this that a large number of the women operatives in the mills are generally anæmic or in a debilitated condition?—Yes.

326. Is it then that the women for some inscrutable reason desire to be entitled to benefit?—They think that, like a railway company, it is fair game.

327. With your experience, do you think that women are moved in this matter because they are new to insurance?—At first, I daresay that had a good deal to do with it. However, that point has not occurred to me. I do not think it is deliberate dishonesty. I think they do not think much about it. They think that when they are paying money they are entitled to it, and that it will come out of the fund.

328. Your experience is mainly confined to Lancashire?—To Lancashire.

329. Would you agree with the opinion expressed some time back, that never before in the history of Lancashire was the spring-cleaning so perfect?—We had a lot of claims for sickness about the spring-cleaning time.

330. On the matter of these certificates that you have been taken through this morning, do you find in your experience that many of the medical men are issuing certificates much in advance, whether one week, two weeks, or three weeks?—No.

331. That would point then to the fact that they were examining these patients weekly?—Well, they could go to the surgery and get a certificate.

332. Do you insist upon a weekly certificate?—Yes.

333. I do not find that in the statement submitted by you?—I have a statement signed weekly. The doctor signs it.

334. What I want to get at is your experience on a statement that has been made—not here—as to doctors signing in advance for weeks and even months. You have no knowledge of that?—No knowledge. They may have signed it for back cases, and they may have post-dated it.

335. I am on the point of ante-dating?—I do not know of any case.

336. To what extent have they post-dated?—A fortnight or a month. I have had certificates which have been post-dated a month. But I do not know of any doctors who have given certificates in advance. I do know of doctors who have signed back when they have not seen the members.

337. The insured person would go to one doctor, complain of not feeling well, state that he had been feeling in that same way for a week or a fortnight before, and the doctor would accept his word?—It was especially in cases of declaring on benefits, but there is an improvement in regard to that.

338. On the matter of compensation, I think you did say that, in your opinion, you are working section 11 properly?—Yes.

339. I understand that very well. But I notice that there is nothing in your rules requiring notice to be given in matters of compensation. Is there?—No.

340. Is it not very essential that at the earliest possible moment that should be imperative on your members?—You see, these rules were there when I became secretary. They all want amending. I am afraid I had to disregard them in some respects.

341. The rule governing the payment of sick benefit in one part says that the member desiring sickness benefit must give notice of his illness—of course, that would mean of "her" illness—and submit the prescribed medical certificate as soon as possible to the society or branch. How do you interpret the words "as soon as possible"?—Well, at first it was to get the claims in less than three weeks, but I am insisting now on getting them within three days. Our people, before the Insurance Act came in, very reluctantly went to a

doctor. I suppose they were afraid of the expense. They have not yet got over that reluctance, and have not yet realised that they can go to a doctor without leaving work. I am trying to get our people, as soon as they find anything the matter with them, to have no hesitation in going to a doctor early. But they have not yet got out of the old groove.

342. If I may put it this way, do you agree that for the successful working of such a scheme as national insurance there should be adequate sickness supervision?—Yes.

343. And that that would take various forms, in respect to your sick visitors, superintending sick visitors, and medical referee?—Yes.

344. It should also be incumbent upon every society to see that at the earliest possible moment a medical certificate is produced?—Yes, I agree.

345. There is only one other question, and that is the matter of these 400 persons who were summoned to attend the referee?—700.

(Chairman.) 400 was the number suspended, and 700 summoned to attend the referee.

346. Was it 700?—Yes; 720.

347. (Mr. Warren.) 400 people were suspended because they did not attend. Is that not so?—No.

348. Is this about the medical referee?—294 for not attending. They were only requested to attend the medical referee.

349. But they did not attend, and thereby they were struck off?—Yes, unless, of course, they gave some explanation. But out of the whole number there were only 10 who appealed.

(Chairman.) The cases of 720 persons were referred to the medical referee. Of these, 294 did not attend. That is one class. But apart from that there were 400 persons who were suspended from benefit. There is no necessary connection between them. You will correct me if I am wrong. We may have to inquire more closely into that.

350. (Mr. Warren.) In respect to the 400 who did not attend the medical referee, it points to the fact that they were either fit to go to work, or that they were suffering in respect to what was not a medical complaint?—Yes.

351. (Mr. Mosses.) Is the insured section altogether distinct and apart from the trade union section?—Yes.

352. Are you subject to any supervision of the trade union section?—No.

353. Do you render no reports to the trade union?—No.

354. It is an absolutely independent and distinct association?—Yes; a separate section with separate offices.

355. In the same building?—The same building.

356. That probably is the only connection between the two sections?—It is the only connection.

357. Then you have an executive—a management committee?—Yes.

358. And that will be elected by the insured persons?—Yes.

359. The proportion of women is referred to as five to one. How many women have you on your management committee?—None.

360. None! How is that? Have you given them an opportunity of electing delegates?—It is a peculiar thing that though the unions state that every member, man or woman, has a vote and as a voter is entitled to any office, we have never had a woman delegate on a trade union yet.

361. I know that. Then members appointing delegates to Manchester have appointed men?—Yes.

362. What do you mean by delegates?—Members at the quarterly meeting appoint someone to represent them, and to attend, say, the general council meeting, and it is the general council that chooses the executive board.

363. That is to say that the women have voluntarily disqualified themselves?—Both on the trade union side and on this.

364. I know that there have been women on the trade union side. Is that not so? There were two.

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One for about three months within the last 16 years. I am dealing with the Oldham association. And there was another lady in Middleton another three months. So that women are eligible to any office?—Yes.

365. They made no effort to secure representation on the management committee?—That is so. Of course, I think it would be a good thing to have them on.

366. Do you think that those who elect their committee would encourage the direct representation of a proportionate number of women upon that committee?—I have been an advocate of women on our trade union for a long time. I mean the insurance section. In the office I have women clerks and sick visitors, although the first appointment of the latter was a man. But all the subsequent appointments were women. I am compelled to have them by rule, but if it was not a rule, I should have women as sick visitors. I think it would be a good thing if we had women on the committee. It takes a woman to know a woman.

367. Are the opinions you have expressed about women your personal opinions?—My personal opinions.

368. Are they shared by your committee?—I think so. They know my opinion very well.

369. You referred to the ease with which medical certificates are obtained. Do you know of any instances in which medical men have refused to grant certificates?—No; I do not.

370. No single case?—I do not.

371. Is the membership of your approved society restricted to the members of your trade union?—Yes.

372. And is there provision, in the event of their leaving, that they would still remain members of the insurance section?—I think the rule says a prospective member of a trade union, and a "prospective member" would take in that case.

373. Do you not compel them to leave the insurance section, when they leave the trade union section?—No.

374. In the case of expulsion from the trade union section, would you expel from the insurance section?—No case has yet arisen.

375. Then you do not know what you would do. There is no provision in the rules for that?—No.

375a. With regard to what is stated in your evidence about married women, do you find they are more prone to sickness than single women?—They are more prone when they get on to sick on.

376. To declare on?—When they declare on the difficulty is to get them off.

377. I mean to declare on. With regard to declaring on, are they more prone to declare on than single women?—Yes.

378. Then altogether your evidence is that there is a very much greater tendency on the part of married women than of single women, both in regard to declaring on and continuing on?—Yes.

379. You have already stated that you insist on medical certificates stating the cause of illness. That is a quite recent introduction?—Yes.

380. Do you find any disposition on the part of your insured members to change their doctor?—I think they are dissatisfied with their doctors.

381. Is it a fact that that change of doctor comes from finding one doctor more complaisant than another?—Yes.

382. And that the doctor they want is one who has a reputation for readily granting certificates?—Yes.

383. And if it continues he will have the bulk of the patients?—Yes.

384. You find that in actual practice?—Yes.

385. I do not quite understand how you make payment of benefits. Do you make payment through the sick visitors?—No. It is a quite distinct operation. The officials paid the benefit, and sick visitors visited. But now in Oldham and Ashton the sick visitor pays the benefit. The scheme I want is to have all the money paid by the sick visitor. In that way you get a visit weekly, if it is only to pay the money. That is what I am trying to get. But you do not want to make a complete change without experiment. I

took Oldham and Ashton as an experiment, and the result is such that I am now anxious to do it all over the society.

386. Then in such cases as a branch it is the local authority that pays the sick benefit. Have you any system at all which will substitute visitors for sick visitors?—Yes.

387. How often?—About once a month.

388. Once a month only?—Yes.

389. They are supposed to watch these cases?—Yes.

390. You referred to the fact that a number of patients were encouraged to stay on by the doctor?—In some cases.

391. You also stated that in some of these cases the patients were anxious to get back to work?—Yes.

392. Can you give us any idea of the proportion of cases in which the patients were anxious to get back to work, but the doctor declined to declare them fit for work?—It is only occasionally that I get a few cases brought to my notice where a member says he intended to go to his work, and the doctor says that he would be better in a week or so.

393. You have only had brought to your notice cases here and there. You cannot give statistics of them?—No.

394. (Mr. Thompson.) You told us that you have six visitors now?—Yes.

395. One superintending?—Yes.

396. Is the superintendent a man or a woman?—A woman.

397. I think the male assistant who gets the biggest wage is still on?—He is still on, but the subsequent appointments were women. Of course, women are better for that work than men.

398. I suppose your society, or you on behalf of that society, try to insist that no sickness benefit shall be paid unless the persons claiming are incapacitated from work?—Yes.

399. You do not find that you are strongly supported in all cases by the doctors, and in certain conditions they give women certificates more than is thought to be quite justified?—Yes.

400. Although, I think, I gather that in your opinion it might be better for the member and perhaps better for the nation?—It would be better for the nation if there were no married women at all working in the mills.

401. So that if there were a special fund set free for the good and well-being of married women, it would be a desirable thing?—Yes.

402. In the case of the refusal of sickness benefit, do you go solely on the report of the sick visitor supported by your own judgment? You do not in all cases require a medical examination from your referee?—Not in all cases.

403. If the sick visitor says that in her judgment a person is able to work, is that thought sufficient to justify the opinion, when you do not in all cases require the medical referee's judgment?—If a sick visitor thought a person looked all right, you could not put that as evidence against the opinion of the doctor.

404. You have the opinion of the doctor in all cases?—Yes.

405. If a sick visitor reported to you that in her judgment a person would be able to work, are there cases in which the benefit would be suspended?—It would not be wise to take the sick visitor's opinion. You might have a person suffering from heart disease, and the sick visitor might say that that person had nothing the matter with him. You must have the doctor's opinion in all cases like that. It would not be fair otherwise.

406. Have you any evidence where reference of members to the independent medical referee was thought in any cases to cause people to return to work who were not fit?—No.

407. Nothing to indicate that at all?—No.

408. Do you find that there is any tendency on the part of members to go on to the end of the week in benefit rather than declare off in the middle?—Yes.

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409. Can you give us any helpful suggestion in that matter?—You go to the doctor on a Thursday, but you do not want to return to work on Friday, but to go on Monday. We have said that you must go to the doctor on the Thursday, and then on the Saturday, and get a certificate signed by him.

409a. Your independent referee is a panel doctor?—No.

410. Have you referred any cases to other panel doctors?—No.

411. Would there be better results from a panel doctor or a non-panel doctor in the cases referred?—I chose a man who did not live anywhere near any of the towns where any of our members reside. The nearest place would be six miles from Manchester.

412. Does he practise?—Yes, he has a practice.

413. With regard to compensation, have you any question in your applications for sick benefits whether the illness is caused by accident or otherwise?—Yes.

414. You do?—Yes. You see all our members have gone to work very early. You have got members from 50 to 55. They cannot make these things out. They are made out for them. I have had to return 15,000 application forms which were incorrectly filled up. I am not suggesting ignorance, because they are not ignorant. They have never had any chance of education, and they have no conception, and would be the last people to know that a septic finger or anything of that kind might possibly arise from an accident. I do not think I paid any sickness for compensation.

415. That means that they frequently answer the question in the form in the negative, when they should not do so?—They may leave it out altogether, perhaps.

416. Can you give any idea of the class of your members who sent back the 15,000 application forms?—These were women who left school early and had to work in the mills. It is a big job for them to fill in a form.

417. It would be wrong even to suggest that they did not want to claim workmen's compensation?—They did not answer it at all.

418. (*Dr. Fulton.*) Do you think there should be any definite rules drawn up about pregnant women? Do you think they should be debarred from any kind of work? You have told us about doing housework of various degrees of heaviness. Do you think a woman who is employed in a factory, and who goes on the sick fund, should not be allowed to do any work whatever in her own house?—From the societies' point of view?

419. Certainly?—Yes.

420. You would debar her absolutely from doing any kind of housework?—Yes.

421. And if she did any housework, no matter how light, she should be suspended from sick benefit?—Of course, by house duties I mean washing, baking, and generally looking after children. Of course, such a thing as dusting or making tea is still light work, but you can never object to any woman doing that kind of work.

422. So far as you are concerned, they are not allowed to do anything at all?—No.

423. You would not allow a man to turn the mangle for his wife, if he was on the sick fund? As a matter of fact, it is contrary to the rules of the friendly societies?—Yes.

424. What do you suggest should be done with reference to the state of pregnancy? Have you anything to suggest by which we could get out of this difficulty of giving certificates to pregnant women? Do you think they should not get sick pay at all for pregnancy?—The danger is that you are going to pay 26 weeks' benefit every time the woman is pregnant. If she is pregnant once every two or three years—bankruptcy. That is from the societies' point of view.

425. What do you suggest?—If you are going to pay for pregnancy, you will have to find some money.

426. Do you think that there should be a schedule of complications of pregnancy, for which the doctors might grant certificates, and others for which they might not grant certificates?—Yes, I should think so.

427. Would that be a help?—I think so.

428. Do you think certain well-recognised complications and diseases during pregnancy should be recognised for which sick certificates should be granted, and that sick certificates should be refused for anything outside those recognised?—We find that in the early stages of pregnancy they come on for vomiting. That rights itself, and many women are still able to work although they are pregnant.

429. Your point is that they should go off the fund then, so far as complications are concerned?—I think so.

430. With reference to the dating back of certificates, you say some doctors date them back for three or four weeks. I presume you mean that the insured persons have told them that they have not been to work for three or four weeks?—Yes.

431. You do not suggest that doctors date back certificates merely because the patient says he has been suffering from the malady for three or four weeks? You take it that in every case the patient has told the doctor he has not been to work owing to this complaint for a certain number of weeks, and then he has dated the certificate back?—Yes.

432. With reference to the dating of certificates, do you think that in every case the certificate should be dated on the first day on which the patient has been seen, and neither ante-dated nor post-dated?—I think it ought to be dated on the day the patient is first seen by the doctor.

433. If that rule is observed, you think it will meet that difficulty?—Yes.

434. You have spoken about the changing of doctors. You say that people want to change their doctors if they hear that another doctor is more lenient in giving certificates. Has that been a matter of experience with you?—Yes.

435. And has the doctor on whose list they were given leave for the change?—I do not think they need to give leave under the attendance system. They can go from one doctor to another. If they go to one doctor who does not just come up to the mark in regard to giving certificates, they could go to another.

436. That is really an objection, not to the doctors, but to the attendance system?—They have, in some cases, not been satisfied, and have paid a private doctor.

437. Suppose one of your women goes to a doctor and complains that she is not able to work, which, do you think, should be the first consideration of the doctor, the welfare of the patient or the welfare of your fund?—The welfare of the patient.

438. (*Dr. Pearse.*) You advise that there should be separate forms of certificates for women, and for men?—Yes.

439. Because you feel that a woman who is unable to work in a mill might be able to do her work at home, when she should be unable to do it if she is in receipt of sick pay?—Yes.

440. As regards men, do you think their title to come upon the sick fund is carried by incapacity for their occupation, or incapacity for any work?—I suppose it should be incapacity for any work.

441. Take a specific instance. This is a very important point. Suppose a mill operative, male, has a crushed hand—excluding the question of compensation now—and is not incapable of work as a clerk, but is quite incapable of his ordinary occupation, does it follow that he should not be put on the sick fund?—I should say he should not be put on the sick fund. If he has a crushed hand, it prevents him following his ordinary occupation, but he could follow some other occupation.

442. And he should not be put on the sick fund?—Certainly not. He is able to work.

443. I do not think a medical man would look at it in that way. As regards the question of the medical referee, you pay a fee of 5s. for examination?—Yes.

444. Is it your experience that you can get competent and experienced and qualified men to do it for that fee?—The man I have has as high qualifications as most doctors, he is M.D. Manchester, and Bachelor of Surgery.

445. He does not give his whole time to the work?—No; but a good part of it.

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446. I take it his fees for the quarter come to about 100*l*.—We commenced at the end of July, and the cases I mentioned are up to last week. We have not gone the full quarter.

447. But for your society it will apparently work out at 400*l*. or 500*l*. a year?—Yes.

448. For a part-time appointment?—Yes.

449. Is the decision of the medical referee final? If he says a person sent up to him is fit for work, do you straightway strike that person off the sick list?—Yes.

450. His decision is final? Is there any appeal from it?—The members always have the right to appeal.

451. Only to your committee?—Yes, that is so.

452. To a lay body?—Yes.

453. That right has only been exercised in ten cases?—That is so.

454. And only recognised in one?—That is so. Of course, it sometimes happens this way, that after pneumonia a woman goes to work and at the end of a week she may contract a new complaint—influenza, or anything like that. We recognise that, because it is a new complaint.

455. But otherwise the decision of the referee is final?—Yes. I find the doctors seem very pleased to use the medical referee now.

456. Do they personally themselves refer cases to the medical referee?—No, they have not done so yet.

457. Have you given them the option of doing so?—No, but it is a point I am very carefully considering.

458. But at present the doctors do not directly send any case to the medical referee?—No.

459. You say doctors encourage insured persons to remain on the sick list. Do you mean that in a detractory sense as regards medical men?—I mean a person would say to the doctor, "I am going to work on Monday," and the doctor says, "Have a week or so more."

460. You do not necessarily mean that it is not the best thing for the person that he should remain on?—No; I am not able to say which way it is.

461. Your society paid no sickness benefit before the Act came into operation, and you say that very few of these women were in friendly societies. Do you think that previous to the introduction of the Act many women went to work, who were not fit to go to work?—Undoubtedly, and the same to-day.

462. Why?—I mean, if you have a widow with four children she will hardly forfeit 1*l*. a week for continuous work for the sake of 7*s*. 6*d*.

463. Do you think that there are fewer unfit women going to work now than there were before?—Yes. Women have taken advantage of the opportunity now of free medical treatment, and 7*s*. 6*d*. a week. Before they took no notice, and worked on when they were not fit to do so.

464. You consider that your society has excessive claims? Do you consider that those claims apply to long periods of sickness, or to short periods? Are most of the claims, claims for, say, under a month, or over a month?—If they get over a month the tendency is to go on for a lot of months. I mean if they get on a month, they seem to want to go the full extent.

465. Do you think that if you had a special report from the attending doctor when a person has been on the sick list for four weeks apart from the ordinary continuing certificate it would make any difference?—Yes.

466. You think it would be an advantage?—Yes. After all, the doctor attending the person probably has better knowledge than the medical referee, who, perhaps, only sees the person once. If we could get the panel doctor who has treated the insured member to do that, it will be bound to be more beneficial for the members and for the society.

467. And it would help you to sift out your cases?—Yes.

468. Was there any medical examination of your members before they were admitted?—None.

469. (Dr. Lauriston Shaw.) You had a very interesting experience of a referee appointed by yourself. Do you think it would have been equally useful if the

referee had been appointed by the insurance committee?—No, I am afraid I do not.

470. Why do you think that there would be a disadvantage if he was appointed by the insurance committee?—We have doctors now being appointed by someone other than the society, and it has turned out very unsatisfactory. If we had a medical referee on the same basis, he would probably go on the same way as the doctors have done as regards giving certificates. It is better for the society to appoint one man who gets special knowledge of our patients, and of our class of members, than to have men going from place to place and knowing all the societies as it were.

471. You want to have your particular referee appointed by, and dischargeable by, your society?—Yes, but I am not very keen about it.

472. But you think on the whole it is better?—Yes.

473. Do you think an insured person is as likely to go to a referee appointed by you, as to a referee appointed by an independent authority?—I do not suppose the insured member has taken the trouble to know who has appointed the medical referee, and I dare say most of the insured members have the opinion that he is a State medical referee. They do not take the trouble to weigh it up. I do not suppose it would make any difference.

474. The chief point would be whether he got a reputation for being a kind gentleman. You say yours has the reputation of holding the scales evenly?—I said to this person when I appointed him: "We do not appoint you because we want people knocked off the list; we want a fair examination in every case. It makes no difference to you whether we have to go on paying, or what we have to pay. Your responsibility is over, when you have given your report."

475. And you think you have managed to secure that. Do you think you are justified in assuming that every person who refuses to see the referee is necessarily taking sickness benefit unjustifiably?—I have no reason to think otherwise. These people have been given an opportunity to come. If they will not come there is only one conclusion to come to. They are afraid of facing the test.

476. You do not think that rather than face the unpleasant duty of seeing another doctor, they would go away?—No, I do not think so. I do not think patients are afraid of seeing another doctor.

477. You told us that the complainant doctor who gave certificates easily was much more popular. You thought that was the chief thing that determined the popularity of the doctor. I do not quite understand how you know that for yourself. Have people told you so?—You know localities before the Insurance Act came into operation, and you know them after. I know exactly the doctors in Oldham from whom I could get a certificate easily. I have been watching the Insurance Act, and I know how these certificates come along, and it has confirmed the opinion I had already formed.

478. You formed the opinion that certain doctors gave certificates too easily, and you think they have the largest practice?—From the coming into operation of the Workmen's Compensation Act we all used to start with a doctor's certificate. In those days I was on the side of the members to get compensation. Of course, I have been on both sides.

479. You have not thought it likely that the doctor, who would give a certificate most easily, was also the doctor who was most interested in the welfare of his patient?—No.

480. I wonder whether you have taken any steps to find out, when a doctor has certified that a patient is unfit for work, whether the doctor was really under the impression that he was certifying that he was unfit for all sorts of work, or only unfit for the work he was doing. Have you ever written to the doctor to ask him he meant?—No.

481. You have assumed that the doctor ought to give a certificate that the man was unfit for all sorts of work?—Yes, but I think they do not know.

482. It would be quite clear to you that it might be very unsuitable for a patient to be working in an unhealthy factory. I think you said that factories are

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particularly unhealthy?—No; they are lofty, but the women work among the machinery like the men, and they work the same hours.

483. Did you not tell us that the particular class of men and women with whom you were dealing were working under very unsatisfactory conditions with regard to dust and so on?—I was dealing with men then. The men deal with the initial part of the manufacture of cotton goods. They are getting the dirt from the cotton, as it were. It goes on a revolving cylinder, and they have to strip this two or three times a day to get the dirt out. They are breathing this dirt coming off the cylinder, and it gets in their lungs, and our men are very unhealthy. But the women are not doing that. They have the next grade. The men are unhealthy as regards dust and chest complaints, but it is not so with the women.

484. You could imagine that a doctor who had a patient with lung trouble would strongly recommend him not to go back to his work until the lung trouble was perfectly well?—Yes.

485. The patient himself might feel fit to work and might be anxious to go back?—Yes.

486. And that might explain the frequency with which you are under the impression that the doctor advises the patient not to go back. I am on the point that it does not necessarily indicate any want of appreciation of your funds that the doctor recommends the patient not to go back to work?—No.

487. Have you had any experience of invalidity benefit yet?—It is too soon yet.

488. I wonder whether you thought it was possible that by being a little stingy with sickness benefit you might greatly increase the amount of invalidity benefit. It is possible, is it not?—Yes.

489. (*Miss Ivens.*) Do you pay sickness benefit at all on a certificate of advanced pregnancy?—Yes.

490. Simply on the certificate of advanced pregnancy?—I do not think I have had a certificate of advanced pregnancy—I have had pregnancy.

491. Take pregnancy. Then you would refuse it?—Yes.

492. I was wondering whether you would entertain a claim for sickness benefit, say, a month before the confinement?—I have worked on the answer which was given to Mr. Appleton, of the General Federation of Trade Unions. It was stated that pay should be given in the event of varicose veins, and when in the event of continuing at work there was a danger of miscarriage. I have worked on that rule. I have been pretty stringent, perhaps too stringent, with pregnancy.

493. You thought women before the Insurance Act came in had to work when it really was detrimental to them to do so?—Undoubtedly.

■ 494. Do you think now that they can get sickness benefit, they will be better lives through that—through not having to work, when they are not up to the mark?—They are bound to be better afterwards.

495. You said that women, when they had made up their minds to have an operation had to wait to get into hospital, and you seemed to imply that men did not have to wait. Do you mean that there are more facilities for men getting into hospital than for women?—No. I mean that the men would work. I have two cases in my mind, and they both had fistulas. The man applied to be put into hospital, and worked up to going into hospital, but the woman came on with a complaint. She came on for a matter of 12 weeks. Then we came along with the medical referee. The medical referee pointed out that the only cure was an operation, and we had practically to force her. We gave her a fortnight to make up her mind whether she would undergo the operation. She told us on the last day that she would undergo the operation. Then we were kept on for another six weeks. She saw her doctor, and made an application to the hospital, and we were waiting another six weeks.

496. And at the same time she was not at work?—No. This woman's husband was a policeman, and he was keeping things going at home.

497. Of course you will not dispute that there might be some difference in the conditions, so that one

might really be unable to work, while the other was able?—Yes.

498. You do not think it was so in this case?—No. Our own doctor examined the woman, and he thought it was not a very bad case.

499. (*Miss Macarthur.*) You said you admitted members without medical examination?—Yes.

500. Am I right in assuming that you admitted all your trade union members without any question as to their health?—Yes.

501. Even if they had been suffering from chronic disease, you would and did admit them?—Yes.

502. You have been very alarmed, we gather, by your amount of sickness?—Yes.

503. What was it that first alarmed you? Was it reports that people were taking advantage of the fund, or was it, in fact, the amount of benefit you were paying out from week to week?—Naturally, the first thing I noticed was the amount I was paying.

504. You have made very strenuous efforts in every direction to keep your sickness benefit down to something approaching the actuarial estimate?—I have done my best.

505. That has been your object. You wanted to keep it down to something approaching the actuarial estimate?—Naturally, that is one of the objects, but not to keep it down to the extent of not meeting legitimate claims.

506. As far as you legitimately could?—Yes.

507. You think you have done everything which could be done?—Everything I can think of.

508. And even this being so, your present rate is 2½d. per week, or was in the summer months, having taken all these precautions?—2½d.

509. You paid a great deal more often to women than to men?—Yes.

510. I think you said it was because the proportion of sickness benefit was so much greater in the case of women than of men?—Yes.

511. You do not allege that a considerable proportion of that difference is due to what we call malingering on the part of the women?—Yes, partly.

512. You say in your outline of evidence that women are weaker than men?—Yes.

513. You agree that it would be natural to expect more sickness from women than from men?—Yes.

514. And especially you would agree from married women?—Yes.

515. Have you any information as to the number of the 400 cases of suspended benefit who resumed work when they were suspended?—The great majority went back to work.

516. Have any of them, to your knowledge, come on the funds again?—Yes.

517. Have you any reason to think that they came on the funds again, through having taken insufficient rest before?—No.

518. That did not occur to you?—It did not.

519. To what do you attribute their coming on again?—In the case of young married women, perhaps we have caught them breaking the rules. They have admitted breaking the rules. They have gone back to work, and come on with a new certificate a fortnight after.

520. You think you are perfectly justified in interpreting the rules so that if a woman is found doing household work you stop her benefit?—Yes.

521. Does the nature of the work she is doing have any influence upon you?—Oh, yes.

522. Can you give us some idea of what work you would allow her to do without stopping her benefit?—I will tell you what we would stop the benefit for. If we had a woman washing, baking, cleaning the outside, mopping the stones—we do not think sick women should do that.

523. If they were sick, and it was to their detriment, you consider it would justify you in stopping the benefit?—Yes.

524. Even if they were satisfied that they were ill?—They are certainly not too ill to do work if they are working.

525. You take it that if they are doing any kind of household work of the kind you have mentioned, that

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ipso facto proves that they are capable of working?—The sick visitor comes along and finds the woman, say, washing. She is asked if she is doing all her household work. If she admits it, we feel that we are justified in suspending the benefit.

526. You have not fined them in such cases for breach of the rules?—No.

527. You have not inflicted any fine at all?—Not yet.

528. In these cases of suspension, none of them have gone through the procedure laid down in the rules?—Oh, yes.

529. There are certain procedures laid down in the rules. They are very involved. I think it almost impossible that they could have been followed. I only want to bring this out, you have not been able to follow this?—We have not done so yet.

530. Only 10 people appealed. You did not tell us how many appealed by letter, and how many in person. Did any appeal in person?—Yes.

531. How many?—I think, four.

532. Does not that strike you as a very small proportion—four out of 400?—Yes.

533. Do you think there would be any reluctance on the part of the women to appear before a committee composed entirely of men, to discuss questions of this kind?—I do not think so.

534. Of course, that is a matter of opinion. With regard to pregnancy, I should like to be quite clear as to the procedure you followed there. You tell us that you do not pay on a certificate of pregnancy?—That is so.

535. Have you paid on pregnancy, if you were informed that the woman was within a fortnight of her confinement?—Yes.

536. You have paid often in such cases?—If her panel doctor says it is unsafe for her to work. Of course, if we get a certificate of pregnancy we write to the doctor. If we can get any decision that it would be dangerous for her to work, we pay.

537. In your outline of evidence you say you have had hundreds of women who have been given certificates that they are incapable of work, and who have gone back to work. What were the certificates for? Were they in every case for pregnancy?—Yes.

538. Were they not for pneumonia or debility?—That was to cover up symptoms of pregnancy.

539. You have refused any symptoms of pregnancy except threatened miscarriage?—That, and varicose veins.

540. You pay on varicose veins?—Yes, mostly. We generally try to get these people examined and our doctor passes some, and some he does not pass.

541. It stands that you have refused hundreds of certificates?—Just pregnancy and symptoms of pregnancy, such as sickness, debility, anaemia and so on.

542. If a woman was pregnant, and at the same time certified as suffering from rheumatism, the fact that she was pregnant would make you question her claim?—For rheumatism. They get a certificate for rheumatism and you pay for seven or eight weeks, and then you get a maternity claim.

543. But if your sick visitor informed you that the woman was pregnant, and that she was claiming for rheumatism or something of that kind, would you, as a matter of fact, refuse her claim?—No, our own doctor has examined women, and they have had abscesses and been pregnant in any number of cases. Of course, we have put pregnancy on one side, and she has been on the funds for abscess or rheumatism and has got her pay.

544. You have simply refused certificates for pregnancy and symptoms of pregnancy with the exception of miscarriage and varicose veins?—Yes.

545. You have not refused any certificate for varicose veins?—Not on my own responsibility, only after consultation with the doctor.

546. How long do you pay for confinement?—Mostly a month—four weeks.

547. From when does the pay as a rule date?—From the date of the confinement.

548. In most cases are they not paid for before that date?—No.

549. Then, supposing you continued to receive certificates after the four weeks, would you go on paying, or would you question the claim?—If it was merely debility after confinement, I should put her down for medical examination, but if she got inflamed breasts or any complication of that kind, we should continue to pay.

550. Without any definite complication you have not paid more than four weeks after confinement?—No, we try to keep to four weeks.

551. The only grounds on which you declare them off benefit are for breaking rules?—Yes.

552. If it is a doubtful case you do not declare them off until you have had the referee's opinion?—No.

553. When you have members in hospitals—of course, the thing is altered now—without dependents, do you make a habit of applying any money for their benefit, or do you pay benefit?—No.

554. You do not pay?—No.

555. And you do not apply the money for their benefit?—No.

556. Not under any circumstances?—We have never paid anything to hospitals, but, of course, we have paid dependents, and we have paid for surgical appliances.

557. Where a member has no dependents and has been in hospital do you pay no money to anybody?—No.

558. Not a shilling?—No.

559. I think that throws rather an interesting light on your figures. Apart from breaking rules, have you disqualified any people on account of misconduct?—Yes.

560. Would you give us some particulars?—Keeping a disorderly house—women living in a disorderly house.

561. Do you mean whatever she was suffering from?—Yes. Out at half-past 11 at night. This was a case of rheumatism, I think.

562. But according to rule you can only stop them on the ground that the disease is the result of misconduct?—Yes.

563. Would you classify rheumatism as a disease resulting from misconduct?—No.

564. How many times have you refused benefit on the ground of misconduct as compared with breach of rules?—A good many times.

565. (Chairman.) Can you give some idea? It is a substantial point?—Say, 20 times. Intoxication and the other complaint.

566. (Miss Macarthur.) In the case of a single woman being pregnant, and having complications of pregnancy, would you refuse the claim on the ground of misconduct?—No.

567. It has in some cases been refused. I only wish to know if your society would do it.

568. (Chairman.) Do you mean in no circumstances whatever?—I am presuming the question is, whether we have refused a single woman sickness benefit who was pregnant, and the misconduct was that she had become pregnant. I say not on that.

569. (Miss Macarthur.) You could not refuse maternity benefit. Some women have been refused sickness benefit on this ground?—We should not.

570. Have you had any of your members appealing to the Commission?—Yes.

571. Against your decision?—Yes.

572. How many?—A dozen.

573. What has been the result of the appeals?—They have sustained our position.

574. In every case?—I think in every case, speaking from memory.

575. You have not made any attempt to classify your claims according to diseases?—No, not yet.

576. That could be done?—Yes.

577. And it is your impression that the result would be that the married women's claims were larger in proportion than single women?—There were so many doctors at the beginning of benefit who would put on "illness." Take Stockport district and Leigh. The doctors, by resolution, decided to put nothing upon the certificate but illness. We did our best to break it down, but ultimately we had to give in, and pay the

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members, because it would have been making them sacrifice pay for something they could not help. It is only recently that that has broken down.

578. I suppose you would agree that before the Act came into force there was a large number of women working in these mills who were really not capable of work, and who ought not to have been at work?—Yes. I am almost of the opinion that most married women should not be at work.

579. Do you mean because of their health?—I think their constitution—everything about a married woman. I have had people examined, and they have had seven or eight children. They have probably had to bring up a big family and work in a mill. It is a wonder that they are alive at all.

580. Is it only natural to expect this very heavy claim from married women?—Oh, yes.

581. Is it not possible that it is quite as much because of their health?—If we take the poor and cases of women who have big families, they have usually been declared by the doctor to be unfit if they are deserving cases. We find that the people who are fit are mostly young married women.

582. I notice in your figures you have only a very small proportion of definite cases. For instance, out of them all you only have 63 members who were actually declared to be fit for work immediately?—Yes.

583. You only have these 63 cases because the others are all assumptions?—That is so. The others have not turned up, and of the 60 that did turn up, 10 per cent. were fatal.

584. And a larger percentage were kept on by your referee?—Yes.

585. (Mr. Watson.) You have told us that your members, before the introduction of the Insurance Act, were not as a general rule insured for sickness benefit?—Yes.

586. You have also told us that the members, owing to the circumstances of their life, are so comparatively illiterate that 15,000 application forms had to be returned in the first instance for amendment. In these circumstances, have you taken any measures to acquaint your members with the conditions under which they are entitled to sickness benefit?—Yes.

587. Have you given them any special information?—First of all, we have books of rules, but they would not buy them. Then we gave them to them, but they would not read them, so I printed a small sheet putting in a nutshell what they can do. I find that has been very good. Everyone who comes along and claims sickness benefit is given one of these circulars.

588. Although you have in your society 24,000 women, you have no provision at all in the rules indicating to them that they may not do any sort of housework, when they are incapacitated from following their usual occupations?—No.

589. Is it within your knowledge that the friendly societies for women, which have existed in this country for many years have been compelled, as a matter of practical experience, to adopt rules defining most strictly when a woman may, and when she may not, draw sickness benefit?—I take it the rule is clear that they are not entitled to pay unless they are incapacitated for work. Of course, we might define what work is.

590. It is clear to you, but may I suggest that it may not be clear to the members, because you yourself said in reply to the Chairman's opening interrogation that members who are incapable of work at the mill think themselves entitled to sickness benefit irrespective of what they do at home?—Yes, and for that reason I had this circular printed, pointing out to them that they are not.

591. And you consider that your rule is, as it stands, strong enough to enable you to impose these heavy penalties of suspension on women who violate the rules of working at home, when they are incapable of working in the mill?—Yes.

592. How long is the average period of suspension?—A person doing work is suspended. It often happens that if she is still unable to go to work, and finds out she has made a mistake, she would declare on again and she would have to get a new doctor's certificate.

593. That really means that you refuse benefit in respect of that sickness?—Yes.

594. There is no definite suspension from benefit?—No.

595. But you refuse to pay in respect of that particular sickness, or that particular week?—Yes.

596. Suspension takes place, I understand, when you have found that a woman is working in her house. The sickness visitor reports that she is working, and then you suspend her from benefit. That is the nature of the 400 cases?—Yes.

597. You do not suspend her as a penalty. You merely withhold benefit from her, and leave her to appeal to the executive if she thinks she is unjustly treated?—Yes.

598. (Miss Wilson.) In these cases that Mr. Watson has just referred to, do you make any further inquiries on the report of the sick visitor?—Yes.

599. What sort of inquiry?—In the first place every member who is suspended is informed by letter from me. The sick visitor reports that someone is working. We write to her pointing out the offence, and explaining that the benefit is suspended. If the member disputes it, I either go over myself or send the local secretary or a clerk to make independent inquiries.

600. Meanwhile, the member is suspended?—In some cases, yes.

601. On the word of the sick visitor, or your local agent?—Yes.

602. Does it go before the committee of management, or do you leave it to your sick visitor in some cases?—The sick visitor makes the report, I write to the member, and decide from the report as to whether he shall be suspended or not. Then the management committee have to endorse, or refuse to endorse, what has been done.

603. Have there been any cases in which a person has been suspended before the management committee has met?—Yes.

604. There have been cases?—Yes, that is bound to be the case.

605. What sort of reports would the sick visitors make in these cases? You said their reports were very short?—They are. In many cases the sick visitor would write a letter about the case like this, in which two days after the sending in of a claim the sick visitor went and found the person baking bread. We would then write to the member and say that, in consequence of the breaking of the rule, and doing household duties, the pay had been suspended.

606. Does that report always go into detail, or does it merely say: "Found doing household work"?—Sometimes.

607. You would suspend on that, without further inquiry as to what the sick visitor meant by "housework"?—I see the sick visitors once a week, and have a chat with them as to what the sick visitors should do.

608. But neither you nor the local secretaries see the people themselves and, unless they write to you, you take the sick visitor's word that they are doing housework, and do not inquire as to what kind of household work they are doing?—Yes. What happens is this: Supposing a sick visitor goes to a house where there is a mother with two or three children. She is, perhaps, dusting at the time. The sick visitor would question the woman, and, if the woman admitted she was doing all the housework, the sick visitor would then report on the specially printed card that she is doing housework. In that case there is nothing unfair in suspending payment.

609. If she were found dusting would she be described as doing housework?—No.

610. You are sure of that; there has been no case?—It was done, but I stopped it.

611. There were cases in which you thought sick visitors had put an unreasonable interpretation upon "housework"?—Yes; when they began at first I believe they had an idea that they had to justify.

612. Their existence?—Yes, but they are paid so much per week, and it makes no difference to them whether they knock people off, or do not. They are not paid so much per visit. A sick visitor has nothing to gain by treating members unfairly.

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613. You said most of your sick visitors were nurses or midwives?—Yes.

614. Have they any duty except to report as to whether a person is doing housework, or do they report on any other conditions?—Oh, yes, they question the members.

615. They question the members as to their physical condition?—Yes.

616. Then they would report to you, if they thought the doctor's certificate was erroneous?—Yes.

617. In that case what would you do? If you got a report from a sick visitor saying that she thought the doctor's certificate was false, what would you do?—Will you give me a case in point, as to what you mean by that?

618. Supposing a sick visitor visited a woman who was certified for rheumatism, and found she was pregnant, would she report that to you?—Yes.

619. What would you do in that case?—There would be medical examination; it would be referred to our own medical man.

620. Referred to your own medical man always?—Yes.

621. Would you never suspend that member because you found the sick visitor said she was pregnant, although she was certified for some other cause?—No.

622. You would always refer those cases?—Yes.

623. Invariably?—Yes. Sometimes the person will tell the visitor: "The rheumatism is better, but I am pregnant"; in a case like that we should stop the benefit.

624. Without inquiring further?—The rheumatism—the first diagnosis—would be over.

625. You said in reply to Miss Macarthur that you never refused a certificate for varicose veins in connection with pregnancy on your own responsibility?—No.

626. I gather from that that in some cases you have refused certificates on your own responsibility for pregnancy, or some other causes connected with pregnancy, that you have not referred back all the certificates for pregnancy to the doctor, but you have sometimes said: "Oh, this is a certificate merely for pregnancy. I refuse it"?—Yes. The members are informed that they must get more evidence that they are incapacitated from work through pregnancy.

627. Then you have stopped it at once?—Before passing it at all. We get the claim. We pass the claims on Wednesday. When the claim is for pregnancy, we then refer back to the member to produce evidence that the pregnancy, if she works, would probably be likely to bring on miscarriage. We leave it to members to prove that they are incapacitated from work through pregnancy.

628. Do you say to the member, "You must bring evidence that it would be likely to cause miscarriage," or do you use more general terms?—We generally send the midwife sick visitor to cases of pregnancy, and she deals mostly with them.

629. Do you know what she says to the members in these cases?—Yes.

630. Is she limited to cases of miscarriage?—No, she is not limited. She is a specialist on these cases.

631. She inquires into the symptoms rather than into the question of disablement?—Yes.

632. You said your medical referee travelled about to different districts to see your cases?—Yes.

633. Would members in some cases have to come up from some small village to a town to see him?—Yes.

634. Would they be involved in any sort of expense in going to see the medical referee?—Yes.

635. They would pay?—Yes, but we refund the expenses if a member is asked to go beyond a distance of two miles—that is the distance we have fixed. Then they get rail or tram fare.

636. Do you refund the expenses whether they are declared able to work or not?—No, I think if they are declared fit for work, I would not give the car fare.

637. They always run the risk of having to pay their own expenses, if they are a certain distance from the place where the medical referee is holding the

examinations?—There are very few who run such a risk. We go to Oldham and Bolton, and in some of the big centres we go to two places, so that a member would not have the excuse to put forward that he could not get to the medical referee.

638. Do you mean that people in some of these smaller outlying districts have no expense?—Take Blackburn and Accrington; they are five miles apart. We go to Blackburn and Accrington, and we go to Wigan and Preston. We take a taxi to Hyde and Stockport. We do not say to members at Hyde, "You must go to Stockport," but we go to Hyde.

639. But in some cases persons from the outlying villages come in?—We went to Hydela last week. There were 30 odd cases, and we paid two out of the 30 odd.

640. Do you think people are never deterred from coming for that reason?—No.

641. You speak as if you yourself always saw the members with the doctor. Is that so?—I always see the member.

642. You are not present at the medical examinations?—I am at some of them. There are some at which I cannot be present.

643. Do you think that the fact that someone, who is not a doctor, is present at the examination, or may be present, does not sometimes have the effect of deterring people from coming up for examination?—It has always been done.

644. Would it not deter them if they knew there was somebody liable to be there?—I have been working for most of them before, and they would suppose that I should be there—especially the Oldham people amongst whom I worked.

645. You said that among your sick visitors there was only one man?—That is so.

646. Does that mean that your men members are not visited at all, or are they visited by the women sick visitors?—Oh, the ladies visit the men.

647. Take the Accrington district, would your woman visitor call upon the men?—Yes. There is nothing in the Act to prevent lady sick visitors from visiting men.

648. You said that you found that married women stayed for a longer time on the funds. Have you any figures upon that, or is it only a general impression?—Only a general impression.

649. Have you compared the causes for which married women come upon the funds with the causes for which unmarried women come on the funds?—I have not got figures upon that, but we get weakness and debility.

650. You do not know whether the reason why married women are on a long time is on account of the diseases or complaints, for which they come on?—No. It could easily be got out, because I supply the doctor with a list. We have the name and the doctor's diagnosis and the report of the doctor attending the insured member. The doctor is supplied with that in every case. Of course, the diagnosis changes.

651. You have not asked for the information, and you are speaking from a general impression?—I am afraid I am only just getting into the medical terms.

652. (Dr. Smith Whitaker.) I gather from your opening statement and examination that you recognise that a good many of the claims that you have to deal with now are due not merely to malingering, but are due to the fact that people are now getting sickness benefit and medical attendance, who could not get it before?—Yes.

653. That is to say, up to the time the Insurance Act came into operation a good many of these people who now get sickness benefit and medical attendance when they are ill, and perhaps more rest, were not able to get them?—That is so.

654. Do you think that that perhaps impaired their health in the past in a way it will not be impaired in the future?—I should hope so.

655. Do you think it possible that your sickness experience since the Act came into operation is partly due to that fact—that these people are now, for the first time, able to get treatment?—That would apply to a great many people.

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[Continued.]

656. In the cases of anæmia, debility, and varicose veins?—Yes, in the case of a good many people.

657. Do you think it reasonable to expect that, as the effect of the Act in this way begins to be felt, there will be less sickness due to causes of that kind than you may be dealing with now, and that these might be called arrears of sickness in a certain number of cases?—I am not so sure about that.

658. You think that the fact that people are going to get rest and medical attendance is going to make no improvement in their health in the future?—Of course, it is bound to have an effect.

659. To that extent you have possibly a pool of sickness for which you have to pay out now, which will not grow to the same extent in the future?—Suppose you take the holiday time, you would have thought the claims would be less after holiday times.

660. I would not?—As a matter of fact, my claims seem to go up.

661. We do not want to get into a medical argument, or I would suggest that we are not dealing with parallel cases. Let me pass from that to the question of pregnancy. One would like to be more clear than I am yet as to your practice. Let us take it on the basis of a medical certificate. Supposing a certificate says "pregnancy" only, if I understand it rightly, your practice would be to ascertain in any way you can whether the patient is suffering from varicose veins, or whether there is any reason to fear that if she continued to work it might bring on miscarriage?—Yes.

662. If the certificate says "pregnancy" only, and inquiry shows the patient is not suffering from varicose veins, and that there is no special reason to fear miscarriage, you would say that that was a case on which you ought not to pay?—That is so.

663. Supposing the doctor's certificate says something more than pregnancy. Supposing it says pregnancy and anæmia?—They are beginning to learn about that now.

664. Would you pay in that case?—In a case like that we should have to have the person examined by a medical referee, because you have a separate disease apart from the pregnancy. That has to be dealt with on its own.

665. Although it might be suggested that the anæmia is in some sense due to the pregnancy?—We sometimes get lumbago, which is a symptom in some cases of pregnancy. We decline payment in cases like that.

666. If it is a condition due to pregnancy?—Yes.

667. You mean, if the referee says there is no more anæmia than the pregnancy would account for, you would tell them not to pay?—Yes.

668. Suppose the doctor certified pregnancy and heart weakness, and suppose the referee said that, owing to the constitution of this patient, she was suffering from palpitation and liable to faints, and if he assured you that pregnancy caused it, you would think that would justify you in not paying?—Not in a case like that.

669. You feel you ought to pay?—Yes.

670. Is the distinction in your mind something in the nature of a general condition like anæmia where the member can show it would be better for everybody if she did not go to work. Have I got it fairly?—Yes.

671. You have said that many of the women who go to work in the factory begin at the age of 14?—Yes.

672. Suppose you put a man and a woman to practically the same work in the factory?—Yes.

673. At the same age?—Yes.

674. Taking 100 men and 100 women, would cotton factory work be likely on the whole to have a more prejudicial effect upon the women than upon the men? Is that your view?—Yes.

675. And that might partly explain the greater amount of sickness experienced among the factory women than among the men?—Yes.

676. You would only say that with regard to factory work of which you have had experience?—That is so.

677. You would not say generally that women, apart from questions of marriage and pregnancy and

so forth, were more liable to sickness than men? It is only the peculiar conditions in the cotton trade with which you are dealing?—I submit that a girl of from 16 to 20 is not as good a life as a boy of from 16 to 20.

678. From the point of view of sickness claims?—Yes.

679. Then as regards sickness occurring between 16 and 20?—That would not occur in boys to the same extent.

680. I took you to mean that the effect of having to work at that early age was more prejudicial to women than to men?—Yes.

681. As regards the effect upon their liability to sickness throughout life?—Yes.

682. You do not mean that with regard to women as a whole?—No, I am only dealing with cotton factories.

683. Coming to the question of the work of the doctors: The point has been put with regard to the doctors not always distinguishing between the fitness of an insured person for special work, and fitness for any kind of work. I want to take you to another point of a somewhat similar nature. It is said that some doctors do not even consider whether a man is fit for his particular work or for any work; they simply state that he is ill. It is enough for them to think that the man is ill. They do not think whether there is any kind of work that he can do. They are satisfied that he is ill. Do you think that could be said of any of the people with whom you are dealing?—I do not think that they have made any distinction between the insured person's incapacity for his ordinary work, and his incapacity for any work.

684. Or between illness that incapacitates for special work and does not incapacitate for any kind of work?—No, not in Lancashire.

685. But you think that they are improving?—Not as regards that. I think the doctors are of the opinion, like a lot of the members, that if they are incapacitated from following their ordinary work, it is good enough for a certificate.

686. That is not the point. Let us take two doctors: They both find patients suffering from the same illness. Both men have the same kind of work. One doctor says that although the patient is not fit for that kind of work, he can do some work. The other doctor does not consider whether he is fit for work, his own or any other; he simply says, "This man is ill, and therefore entitled to sick pay." Put it this way: they think that sick pay is for illness, and they do not recognise that it is for incapacity of some kind?—Yes. I think that the doctors think that sick pay is for illness, and not merely for incapacity.

687. Surely they would not certify a man as unfit if he merely had some skin affection, would they?—I have cases of sores, corns, flat-feet, ear-ache.

688. Of course, ear-ache may incapacitate a person. May I go on to another point. With regard to doctors who give certificates for one disease, when the patient is suffering from another, or who give vague certificates, you mentioned that you had cases of "consumption" certified as "bronchitis," and "heart disease" as "weakness"?—Yes.

689. What is the doctor's reason for certifying "heart disease" as "weakness"? The doctor made no difficulty about telling you that it was heart disease. Why did he not put it on the certificate?—An insured person goes to a doctor, perhaps, for the first time. The doctor may be suspicious that it is heart disease, but he is not quite sure about it.

(Chairman.) Do you not think that we had better get that from somebody else. He is not making any imputations; he is only guessing the motives of the doctor, and he is in no better position than we are to judge the doctor's motives.

690-1. (Dr. Smith Whitaker.) You think that the doctor may have quite a good motive in putting down "weakness" for "heart disease"?—He may not know. I suggest that when he gives the certificate he may not really know what is the matter with the patient.

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(Chairman.) He distinctly repudiates suggesting any blame, and that is all you want to know.

692. (*Dr. Smith Whitaker.*) I thought that he quite concurred in the reason given?—You can never say what is in the mind of a doctor. His motive can only be assumed by an outsider. No one can say definitely.

693. You had a case of quite a different kind, a case which turned out later to be pregnancy which had been certified as "rheumatism." In a number of cases like that you do, perhaps, feel that the doctor was knowingly acting wrongfully in giving the certificate?—I suppose that not making a proper examination should be interpreted as knowingly acting wrongfully.

694. What action did you take in those cases?—We have not taken any yet.

695. Have you taken any action where you think that a doctor has given a certificate wrongfully?—No, not yet.

696. What about the doctors who certify without seeing the patients? You say that you have found that in some cases doctors have gone on giving certificates for weeks without having seen the patient. Did you take any action in those cases?—We have not done so yet.

697. You mean that you are thinking that you may have to do so?—Yes.

698. What kind of action have you in mind?—The first action would be to bring it to the notice of the insurance committee. We did not care to take action in the initial stages. I, at least, was of the opinion that things would be smoothed over. If they are not, we shall have to take action.

699. Take the case of a patient who wants to go to work—I am not dealing now with cases where the doctor plays into the patient's hands—and in which the doctor says "Do not go to work: stay off another week or two." What, as far as you can judge, makes the doctor take that line?—I am afraid I cannot answer you there.

700. It might be a regard for that which he believes to be the patient's interest?—There are a good many cases where persons have taken no notice, and have gone back to work and have been all right.

701. Do you find that kind of thing more prevalent in the districts, like Manchester and Salford, where they have payment by attendance than in other districts?—Yes, I think so.

702. Have you any definite evidence of that? Mr. Davies pressed you on that point. Have you any figures which would lead you to that conclusion?—Sick visitors go round among these people, and make reports "This person could go back to work, but the doctor suggests that he should have another fortnight or three weeks." When you have this repeated, you naturally form the impression that the doctors where this attendance system is at work—some of the doctors, I do not mean all of them—are not very anxious to send patients back to work.

703. Your impression is that complaints of that kind are more commonly received from sick visitors in Manchester and Salford than in other districts?—I think so.

704. With regard to the change in the attitude of the doctors, I gather that it is partly that they are giving the certificates better. I was not sure when you were answering the Chairman, but I understood you to say that the officers of the societies were able now to discuss matters more freely with the doctors than they were some time ago. Was I right in understanding that?—Yes.

705. Afterwards, when you were answering Mr. Davies, it appeared that it might only be a matter of getting your certificates better?—They understand certification better. This is what happened in Stockport. The Stockport committee called a meeting of the doctors and the secretaries of the approved societies. Up to that time the doctors in Stockport were not putting anything upon their certificates but "illness." I think that there were two or three meetings, and whilst at the first meeting, there is no doubt about it, the doctors appeared very antagonistic to the Act, when we got to the third

meeting—perhaps three months had passed—there seemed to be a better feeling between the doctors and the secretaries of the approved societies. We pointed out to them that it was up to them to work with us as much as possible, and by and by some of the prominent medical men in Stockport agreed. There was also a meeting in Bolton, but I am not sure that we have done much good there, at least not yet.

706. That is with regard to dealing with the doctors as a whole. I was coming on to another point. You mentioned that you had approached one doctor who had certified a case as "weakness," and that he told you it was "heart disease"?—Yes.

707. That was by coming into direct contact with the doctor in an individual case?—Yes.

708. Do I gather that that sort of thing has become more easy than it used to be?—Yes, but at the beginning when you wrote to the doctors they simply ignored your letters.

709. Now you find that they are willing to answer your questions?—Some of them.

710. As it might have been in the old days between a club secretary and a club doctor?—Yes.

711. You can ask questions of the doctor in a friendly way, and he will answer you?—Yes, I have asked questions of a doctor who has come 10 miles to the office to talk matters over. Of course, these are individual cases. It is not so in a general way.

712. With regard to any impression which you have got as to the difference between Manchester and Salford and other districts, is that due to any opinion you had formed before this system came into operation as to the different ways of paying the doctors?—No.

713. What made you think there was a difference between Manchester and Salford and the other districts? How did you come to think that?—Because in a number of cases the sick visitors in their reports said: "She wanted to go back to work, but the doctor said that she had better have a few more weeks."

714. That was the only thing which made you think that there was a difference?—That was all.

715. What made you assign it to one system of payment rather than to another?—I did not think of it until it was put to me to-day. It is an opinion to which I have just come. It has been brought home to me that taking the two systems together explains it.

716. With regard to members going to doctors who are ready to give certificates, you do not mean that since the Act came into operation they are changing; from one doctor to another?—They can do that.

717. Where?—In Manchester and Salford.

718. You find that in Oldham?—Yes, I find that there are members who have the idea that if they go to another doctor, and pay for him, they will do better.

719. Go to another doctor and pay for him, not go from one doctor on the panel to another doctor on the panel?—There is not much of that.

720. They cannot until the end of the year?—There is a process to be gone through.

720a. In Manchester and Salford, however, they can change whenever they like?—I think so.

721. With regard to this difference in doctors, you said that you had found that in Oldham, people had been more ready to go to those doctors whom they knew to be easy about giving certificates. Do you notice a very marked difference? Does it affect a large number of the insured?—You have certain doctors who are doing pretty well under this insurance and they will give certificates.

722. A very large number put themselves on that doctor's list?—Yes.

723. Or they do and pay him themselves for the certificate?—A large number would be on his list.

724. Which do you mean?—You have doctors, especially in working-class towns, who before the Act came into operation would have a whole surgery full of people, like an infirmary, and a lot of people have made that doctor their panel doctor. There are any number of these doctors in industrial towns, but I do not know whether they do it for the money. They are easy fellows, who in the old days were indifferent about sending in their bills. There are doctors I could

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mention who, I am sure, would give certificates to anybody.

725. Still the other doctors who are not so easy do get people on their lists?—Oh, yes.

726. I mean the patients do not desert them entirely?—This is one way of weighing it up. You might have one doctor with six of his patients down for medical examination, and only one turns up. Then it comes to the second time and this is repeated. That is one thing which creates doubts in one's mind about this man. That has happened many times.

727. You do not quite take my point. My point is that although that is the case, still the other doctors do get people on their lists?—Yes.

728. The insured do not all flock entirely to these men easy about certificates?—No, but of course if you get a few on his list for 26 weeks that is worse than having a lot on for perhaps a week.

729a. Quite, I understand. Then with regard to the medical referee you have employed, you say that he was engaged in hospital out-patient practice. Had he had any working-class practice before you engaged him?—Oh, yes, he had gone about, I think, for twelve months after he qualified, in a good many working-class towns acting as *locum*. He had also been a compensation doctor for employers, and then he had, I think, four years in the out-patients' department of the Manchester Infirmary twice a week, and that was just coming to an end.

729. Was he what they call a consultant or a general practitioner in his ordinary practice?—He is M.D. of Manchester University and a general practitioner.

730. He has an ordinary family practice at Didsbury, in the neighbourhood?—Yes; Didsbury is only a village, a suburb of Manchester. He is only a young man, perhaps 34 or 35.

731. Do you pay his travelling expenses as well as his fees?—No.

732. You only pay him the fee of 5s. for each case?—Yes. I might say that when we decided to make this appointment I went to a few doctors, and this doctor said that before he could do it, he would have to get the consent of the British Medical Association. Then he had to get the consent of his division. So that the 5s. was accepted by the British Medical Association, or at least I presume so, and by his division; in fact he is very well paid.

733. (Dr. Pearse.) Have you any knowledge that that 5s. was accepted by the British Medical Association?—Yes.

734. What kind of knowledge?—He wrote up to the Secretary of the British Medical Association.

735. Did you see the reply?—Yes.

736. From the Secretary of the British Medical Association sanctioning that?—Yes, but it is some time ago. In was in July. We commenced examinations in July, and these negotiations were going on for three weeks before he could start.

737. (Dr. Smith Whitaker.) We have gathered that, owing partly to the instructions which you have given to your medical referee, there is no feeling on the part of the insured with regard to going to him?—No.

738. They do not look upon him as merely acting in your interest to get people off the fund?—No.

739. Suppose that an insured person, perhaps quite wrongly, got that idea, and that the insured person's own doctor said that he was not fit for work whereas the medical referee employed by you said that he was, and the insured person did not feel satisfied about the decision, how do you think that would be brought to an issue?—We should have to bring someone else in. We should have to have another medical referee between the two.

740. That is the kind of thing which you might have?—I am wondering myself what would happen if these two got at cross-purposes.

741. And doctors do sometimes differ?—Oh, yes, they do in cases of compensation.

742. With regard to these 400 cases of suspensions, am I right in understanding—I am not quite sure—

that those were all cases in which you considered they had broken the rules?—Yes.

743. And it was on evidence of the breach of the rules, and on that evidence only, that you suspended them?—That is the only evidence that I could have.

744. It was not any question as to the accuracy of the doctor's certificate. Mr. Wright put the question to you whether your board had over-ridden the doctor's certificate, and, if I understood you rightly, there was no question of that at all. It was a question of the member's conduct. Is that right?—Yes, I follow.

745. If it were a question whether the doctor had made a mistake it would go to your medical referee?—Yes.

746. That is what I understood you to say before, but I wanted to be perfectly sure?—Yes.

747. (Chairman.) How many members are there in the trade union section?—50,000.

748. And how many of those are women?—I should think there would be about 12,000 men.

749. And 38,000 women?—Yes.

750. Does that include all the women engaged in that class of work in Lancashire?—Yes.

751. There are none outside the union?—There are non-unionists in Lancashire.

752. How many non-unionists do you reckon there are?—There is about another 10 per cent.

753. Another 3,800; call it 42,000 women in the trade altogether. That is the full extent?—Yes.

754. There was some talk about the decision of the medical referee being final?—Yes.

755. Should I be accurate in saying that that is putting it in a popular way, and that the medical referee is really your adviser?—Yes.

756. He does not come to a decision?—No.

757. He advises the body that runs your society?—Yes.

758. And that body comes to a decision?—Yes.

759. There is an appeal from that decision?—Yes.

760. To the Commissioners?—Yes, but we have had none yet.

761. The situation is this: The medical referee is supposed to advise some body in your society, that body is supposed to decide, and from that body there is an appeal which will ultimately reach Buckingham Gate?—Yes.

762. Now turn to the 400 suspensions. 400 people have each and all of them been suspended from benefit for breaking a rule. Is that so?—Yes.

763. What rule is it that they have broken? Doing house-work? That is Rule 80 which says a member shall not be entitled to sickness benefit unless he is rendered totally incapable of work by illness. That is one-half of it?—Yes.

764. Joined with Rule 95, which does not say anything about house-work, but which says, amongst other things, that a member shall not be absent from home, or guilty of conduct likely to retard his recovery?—Yes.

765. Joined, I suppose, with Rule 144 which calls upon him not to defraud or attempt to defraud by means of false pretences, or otherwise, the association. Is there any other rule anywhere?—No, not in these rule books, I think.

766. So it comes to this: that in your view persons are not entitled to sickness benefit, unless they are totally incapacitated by some disease from doing their work. Is that your view?—Yes.

767. The work they are doing?—Yes.

768. If they claim sickness benefit when they are capable of doing some work or other they are not entitled to it?—No.

769. And therefore you refuse it?—Yes.

770. I do not see where you get the rule to suspend in these circumstances unless there is fraud. Is there anything that you would like to say on that?—I agree upon that point. I think that we were entitled to interpret—

771. Do not be under any misapprehension. I am not suggesting that what you are doing is not perfectly right, but throughout the afternoon you have used the

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word "suspend." "Suspend" in the rules, and in the Act, means something quite distinct. It means a punishment inflicted in respect of some infraction of some rules?—Yes.

772. Or some wicked conduct such as fraud, is not that so?—Yes.

The witness withdrew.

Mr. C. TUCKFIELD (*General Secretary of the National Deposit Friendly Society*) examined.

775. (*Chairman.*) You are the general secretary of the National Deposit Friendly Society, which is an approved society under the Insurance Act?—Yes.

776. As well as a friendly society under the Friendly Societies Act?—That is so.

777. And which before the Act came into operation had had long experience of friendly society work?—Yes.

778. I will just take you through the proof of evidence which you have submitted. You say you understand that claims have been, and are being made, upon the funds of your society under the Act which are unjustifiable, but that that statement only applies to comparatively few members of the society?—That is so.

779. Do you find that that is sporadic all over the society?—Quite general.

780. Perhaps you will give us some idea of the particular spots in which this occurs?—No, I cannot mention any spot in particular where the cases occur more than in others.

781. As to actual fraud, you have found fraud in some cases?—We have very few cases, very few.

782. How many members have you expelled?—Eight altogether.

783. That includes the fraudulent ones?—They are all cases of fraud.

784. Of different kinds?—Yes.

785. Persons at work whilst in receipt of sick pay?—They account for four.

786. And withholding material information on joining the society?—They account for four others.

787. You mean wilfully withholding information which they knew to be material?—Yes, we have satisfied ourselves that it was wilfully withheld.

788. Turning from that to the general question as to the attitude of mind of the insured person with regard to the principles of insurance. What do you say on that?—I do not think that they understand the principle of insurance, certainly not the principle of insurance as practised by the friendly societies.

789. How many members of the National Deposit Friendly Society were there before the Act came into operation?—200,000.

790. You now have 407,000 for insurance purposes?—Yes.

791. That does not include all the 200,000?—That 200,000 went up 100,000 during last year.

792. So that roughly speaking you are dealing with a 75 per cent. constituency, which has never known anything about sickness insurance before?—I should say yes so far as the State side is concerned.

793. Do you find that they are young people who have had no sickness insurance experience at all?—Little or no experience. There may be exceptions, but generally speaking they have had no experience.

794. What effect, if any, has that upon their action?—I rather lay stress upon this. The principle of insurance as practised by the friendly societies gives a man an interest which is not given in any other kind of insurance, and that is what I say they do not understand.

795. You mean to say that both under the National Insurance Act, and under the old friendly society arrangement, the insured member has an interest in getting claims down?—I know he has under both.

796. You do not suggest that there is any difference between the two?—I suggest that it is a point of education.

797. The insured person does not realise it?—No.

798. That every shilling in the fund is their shilling?—No, they do not realise that.

773. Is not what you have been doing to refuse to pay these people benefit, and not to suspend them at all?—Yes.

774. That is quite a different thing, is it not?—Yes, it is different. Our suspension, unless they declare on work, is a stoppage of benefit.

779. Can you illustrate that point?—I am afraid I cannot give you evidence; it is an opinion.

800. What has caused you to form that opinion?—I should say it is the claims, or the attempts to claim, which have been made by these people which has been the principal cause of it.

801. With regard to over-insurance, as to which I mean the receipt of an income when sick, as much as or more than when well, do you think that has much effect?—I do not think that it has much.

802. Do you find that many State members are also insured on the private side?—Yes.

803. What is the average ordinary amount of sickness benefit paid on the private side?—The average amount is 2s. per day, or 12s. per week.

804. So that a person insured on the private side and also on the public side, would, in the case of a man, receive 22s. per week when sick?—Quite right.

805. The 12s. does not all really come out of the general fund. It comes partly out of the man's pocket?—That is so. It comes partly out of the man's individual account with the society.

806. What part does he draw from his private account?—It depends upon the class. Class A forms the larger proportion of the members, and in that the member finds one-fourth of the benefit from his private account.

807. Three shillings out of the 12s.?—Yes.

808. There is nothing more which you care to say upon that?—I think not.

809. That really leads up to the question of section 72. Have you done anything under that section?—We did not have an actual scheme, but we made certain arrangements for the benefit of the persons, who were members when the Act came into force. There is no actual scheme, because under our system we have not a sick fund charged with deferred liability.

810. I do not follow you?—Under the society's method we deal with the contributions of a member every year, charging the member what it costs for sickness and management, and making a deduction for sickness reserve, and then returning the balance of the contributions to him.

811. That I see. Perhaps it is not material, only to show that you did something?—We did something. As a matter of fact, it meant this: Formerly we used not to allow a member to draw upon his deposit account except for sickness purposes to the extent that he must not take out the last twelve monthly contributions. That was the position.

812. Yes?—And we altered it to this extent. He had greater power in the matter of withdrawing in order to tide himself over the six months at the commencement of the Act. The greater power extended to this, that he could reduce it to six months instead of twelve.

813. It does not materially affect the question before us?—No, it does not.

814. You have nothing very much to say with regard to the point of view of the insured person as affected by over-insurance or anything else except that as to three-fourths of him it is ignorance. He does not seem to be aware that he is spending his own money?—Yes, I think that accounts largely for such over-claims as there are.

815. As to the doctors, what do you say about them?—They were, in my judgment, hostile at the commencement, but there is a very great improvement in the position now.

816. Have you evidence of that great improvement?—Nothing, except the reports from the officers.

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[Continued.]

817. I thought you had seen, or had had reports dealing with certificates and such like matters through your hands, and that you had been able to judge from that?—There is evidence in that respect certainly.

818. What do you find in regard to that?—The doctors objected to give the certificates required by the society. That is the chief difficulty, and that has practically been done away with.

819. Now you are getting the certificates you want?—Yes.

820. With the actual disease stated upon them?—Yes, but I should like to say something upon that point. I consider that the term "debility" is used much too frequently.

820a. What do you do when you get "debility"?—Having regard to the wording of the certificate we pass them as being satisfactory.

821. Always?—Not always; there are inquiries made by the officers of the society, but subject to those inquiries being satisfactory we pass the certificate.

822. Elaborate inquiries, or what sort of inquiries?—They are made by the local officer of the society. I cannot tell you exactly what he does, but if necessary he would go to the doctor himself.

823. That is in every "debility" case?—He would make inquiry in every case and satisfy himself.

824. Is there any other general form of words that embarrass you?—"Anæmia" is another coming under the same category. "Debility" would include "nervous debility." Those three are used largely. The first one, "debility," as a matter of fact, is not the name of a complaint at all.

825. Are they, in your opinion, used to cover particular diseases or states, or are they used to save trouble?—I cannot say in what circumstances they are used; I can only say that they are used.

826. People go and inquire, and I suppose they make some sort of report to you?—Not to me, but they satisfy themselves. I do not think that I can give you any information as to the result of those inquiries.

827. Do you know generally what their work is?—I know that they inquire and satisfy themselves by visiting the member, and perhaps seeing the doctor.

828. You do not know of what they satisfy themselves?—No, except that the man is genuinely ill.

829. Apart from that, you are not finding any definite refusal on the part of the doctors generally to state the nature of the illness on the form?—I cannot say that it does not exist at all, but there is very little of it.

830. When you do find it what do you do?—We get a report from our officer who himself states what the case is, and on that we use our discretion in passing the claim.

831. Do you take any steps with regard to approaching the insurance committee to complain of the attitude of the doctor?—I do not think that many complaints have been made to the committee in those cases.

832. With regard to your practice as to certificates, you have put in a form. You say that you prefer your original certificate to the certificates prepared by the Commission?—Yes.

833. You do not suggest that any embarrassment arises from the use of the Commissioners' certificate?—No, merely that we prefer the one document, but we have given instructions that the certificates issued by the Commission are to be accepted.

834. You mean that you prefer the one document for book-keeping. You do not mean that there is any assistance in one document in keeping down claims?—No.

835. It is purely a question of machinery?—Yes.

836. As to the dating back and dating forward, they are two distinct things?—Yes.

837. What do you say about that?—There are cases where it is done, but I do not think that they are numerous.

838. You have no complaint to make on that score. Isolated cases may occur, but there is nothing on which you can base any general complaint?—No.

839. I think that you make some point as to the signatures of the doctors being in lead pencil, or of a rubber stamp being used. I do not know why importance is attached to that?—We do not regard it as being a satisfactory way of giving a certificate, and instructions were given that certificates were not to be accepted in that form.

840. What is the point of that. I do not quite understand it?—It did not appear to us to be a business-like method of giving a certificate. This is a document which requires to be held by the society for a considerable period. In other words, it is not a proper certificate. I think I must admit that it is a legal one.

841. I thought perhaps in cases where a rubber stamp had been used there was some suspicion that it had been applied by somebody else?—That is certainly one of the reasons which operated in our minds.

842. Have you anything more to say about the doctors? I notice that you point out that the system of remunerating the doctors whether it be the Manchester system, or any other, is different from the system which you employ?—Yes.

843. You also say that you do not think that your system is appropriate to the proceedings under the Act?—That is so.

844. I do not know whether you have anything to offer from your experience or from observation with regard to the choice between the two systems now in use—the capitation system and payment by attendance?—No, I recognise that the circumstances in the two instances are so unlike that I cannot myself recommend that our system should be adopted.

845. No, I quite follow that, and without in any way suggesting that your system is not an admirable one?—Quite so.

846. There are certain statistics which I think you would like to put before the Committee. You say that up to October 4th, you had received 57,860 claims for sickness benefit and 14,342 claims for maternity benefit?—Yes.

847. Out of those 57,860 claims, in 5,020 cases or thereabouts some question has arisen with regard to a claim under the Workmen's Compensation Act?—We have raised the question of compensation.

848. Then in 1,092 cases voluntary compensation has been obtained, and that compensation has exceeded the rate of benefit, and therefore you have not had to pay benefit?—Yes.

849. I see that in 196 cases the society was liable for part benefit, and in the 214 cases where sickness benefit was paid by way of advance I suppose you are not liable, and you will get a refund?—That is so.

850. In 72 cases the period of sickness was very short, and there are 391 cases pending. That adds up to 1,965. What happened to the other 3,000?—In certain other cases the sickness benefit has been disallowed.

851. I see what you mean. Generally, you mean that in other cases after some talk you have paid the sickness benefit?—That is so.

852. There have been other cases of disallowance: 220 on the ground of misconduct under Rule 364. That rule says that any member in receipt of sickness or disablement benefit who returns to work without sending to the district secretary not later than the same day a declaration "off" benefit; or makes any false declaration as to incapacity for work; or attempts in any manner to impose upon the funds of the society; or is unable satisfactorily to answer questions respecting his health or employment put to him by any officer of the society; or by any wilful act prevents or delays the recovery of his health; or who is suffering from a complaint, disease or injury caused by his own misconduct, shall be liable to be suspended from these benefits for a period not exceeding one year, and to be fined in a sum not exceeding 10s., or in case of repeated breaches 20s., or in case of fraud upon the funds of the society to be expelled from the society. We have dealt with the fraudulent cases. These are the 220 cases in which you have suspended?—That is so.

853. What was the nature of that misconduct, do you know?—I am afraid I cannot analyse the cases.

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[Continued.]

854. I do not mean exactly?—I have not got the actual material here.

855. There are 670 cases in which claims for sickness benefit have been made, but in which insufficient contributions have been paid, and there are 850 in hospital, &c., who have no dependants. In those cases have you made any payment at all?—We have made no payment there.

856. You have not applied anything to their benefit?—No.

856a. In 75 cases you say that other societies are liable?—It is a question of transfer.

857. And 24 special voluntary contributors claimed benefit before the expiration of four weeks after confinement?—Yes.

The witness withdrew.

SECOND DAY.

Thursday, 16th October 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT :

SIR CLAUD SCHUSTER (*Chairman*).

Mr. WALTER DAVIES.
Dr. ADAM FULTON.
Miss M. H. FRANCES IVENS.
Miss MARY MACARTHUR.
Mr. WILLIAM MOSSES.
Dr. JAMES PEARSE.
Dr. LAURISTON SHAW.

Mr. A. C. THOMPSON.
Mr. A. H. WARREN.
Mr. A. W. WATSON.
Dr. J. SMITH WHITAKER.
Miss MONA WILSON.
Mr. WALTER P. WRIGHT.

Mr. ALEXANDER GRAY (*Secretary*).

Mr. C. TUCKFIELD further examined.

862. (*Chairman*.) When we adjourned yesterday evening we were coming to the question of sick visiting, and the practice of the National Deposit Friendly Society with regard to sick visiting?—We have a form which we issue, and the onus of visiting a member is upon the district committee.

863. How is the district committee formed?—It is formed by the members themselves in the particular locality.

864. Do they elect the committee?—Yes, they elect it annually.

865. How many are on the committee?—About eight or ten.

866. Are they insured people?—Yes, or elected by them.

867. They do not deal with the payment of claims?—No, except by direction of the head office.

868. Do the claims to the head office come through them?—Yes.

869. Are they paid by them?—They are authorised by the head office, and paid by the district secretary.

870. Are the members of the committee paid in any way?—No.

871. Have they paid officials?—The district secretary is paid.

872. Does he do anything else?—He is usually a part-time officer.

873. How often does the committee meet?—Once a month.

874. Does the official do anything between the monthly meetings?—He has to see that the members get their benefits.

875. He is the actual person who pays?—Yes.

876. When a claim is made for benefit, does it come before the committee?—Not unless there is some question about it.

877. Who raises the question?—It might be raised by the district secretary, but if he did it might be held in abeyance. But it is a very unlikely thing to occur. If there is any point about it, it is determined by the head office.

858. This gives a total of 3,804 cases in which benefits have been disallowed altogether, or in which the society has received some relief or credit?—That is so.

859. "Suspension of members," that means suspension from benefit?—Yes.

860. Does it mean that a person who is not sick has done something wrong and has been suspended, or that somebody who is sick and has come on to the funds has been hauled up?—Somebody on the funds.

861. In addition you suspended three members for drunkenness, one because the doctor's certificate was forged, two for absence during prohibited hours, one because he left the district without permission, and two for not notifying the district secretary in accordance with Rule 344?—Yes.

878. How does the committee obtain the knowledge that somebody ought to be visited?—By the report of the district secretary.

879. He reports everybody who is in receipt of benefit?—Yes; there is a statement of members in receipt of benefit before the district committee.

880. They then say, "We think So-and-so ought to be visited"?—They would determine whether he ought to be visited or not.

881. They do not visit everybody?—No, they do not do much in the way of visiting. It is only where a question is raised that they would visit.

882. Who would raise the question?—The district secretary or the head office.

883. The head office might write down to say that the case should be visited?—They might, or they might make some other inquiry which would render the visit unnecessary.

884. Who would pay the visit? Would it be a woman if the visit was to a woman?—Yes.

885. And who would go if it was a man?—A man would go. The district secretary usually goes.

886. You never have a woman visiting a man?—No.

887. Do they visit in a friendly way or from a hostile point of view?—I do not think there is any hostility about it.

888. Do they go to see how the patient is getting on, or whether he is making a correct claim?—It is a question of whether the claim is correct or not.

889. That is the attitude?—Yes.

890. They never cross-question a patient as to his past medical history?—It would only be on that score that they would make the visit at all.

891. But there are two ways of doing it?—Quite so.

892. Do you give notice of all the cases in which a visitation is to be made?—We have a form, but sick visitation is not pursued in the society to any extent at all.

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[Continued.]

893. The form which you have submitted is elaborate, and leads up to a recommendation from the person who visits as to whether there is, or is not to be, a special visit; but that is very rarely done?—Yes.

894. Therefore the special visits also are rare?—Yes.

895. What would a special visit be if there were one?—It may be that if a member of the district committee had gone in the first instance, they would, on his report, appoint certain of their number, including the district secretary, to deal with the case.

896. To deal with the case by making a special visit?—Yes.

897. What would be the difference between a special visit and the original sick visit?—I am not aware of any special visit having been made with regard to any member, but if there were a question of a special visitation, that would be done under the head office.

898. You send somebody down?—No, we do it through the local committee.

899. Through a medical man?—No, through the officer.

900. Supposing you got a claim that you think unjustifiable, how is the question decided?—I cannot answer that without the actual facts.

901. I thought you might have cases in your mind to tell us from your experience?—The procedure of sickness visitation in our case is not pursued to any extent at all.

902. Supposing any kind of question arose as to a fraudulent or careless claim?—The district secretaries themselves have dealt with many of these cases, and refused them on their own responsibility.

903. Claims made for benefit?—Yes.

904. A district secretary would say, "I do not think this is one we should pay"?—Quite so.

905. If a person comes forward and presents a doctor's certificate, does the district secretary waive aside the doctor's certificate, and refuse to pay without giving the opportunity of appeal?—No; but in certain cases it has been discovered that the man has been at work.

906. That is afterwards. But when the claim first comes forward?—I do not quite follow what you mean.

907. In a sense the district secretary sits to receive the claims. Does he pay all the claims which are supported by a certificate, or does he reject some?—No; he may query some of them.

908. What is the process of querying? Is it merely saying to the person who has got the certificate: "You ought to be able to go to work"?—Probably he will report the nature of the case, and start making inquiries.

909. What inquiries does he make?—In certain instances he has made inquiries from the person's employer.

910. And he has found the person still at work?—He has found the member still at work.

911. That is fraud?—Yes.

912. Drop those cases and assume cases in which you think the people may very well go to work if a little gentle pressure is put on, but that they are not morally guilty in what they are doing?—In such a case the doctor's opinion prevails—if the doctor says the person cannot go to work.

913. You have 400,000 insured persons?—That represents the number of proposals accepted.

914. How many of these are women?—I cannot now give you the number, but I give the figures in another connection when I am dealing with the claim side.

915. Roughly speaking?—117,500 are females.

916. How many of these are married?—I cannot say.

917. I imagine you get a number of these claims in respect of sickness which is incidental to childbirth?—Yes.

918. Have you seen the certificates which come forward in those cases?—Yes, I have seen some of them.

919. Of what nature are the certificates? On what grounds are the people certified to be unfit for work?—I cannot give that information without inquiry.

920. Have you given any instructions to district secretaries about the line they are to take, supposing they get a certificate which states that a woman is unfit to work on the ground that she is suffering from—if I can use such an expression—pregnancy? Have you had such certificates as those?—We differentiate between the position of married women in those circumstances and a single person.

921. That is not the point I was on, but it is very interesting?—In the case of a single woman we do not pay the benefit.

922. In the case of a married woman?—We pay it.

923. In all cases?—Yes.

924. If you have got a claim and inquiry is made, how is the inquiry made?—If an inquiry is made, it is made locally.

925. You have given no instructions to the secretary about it?—No.

926. That is all you have to say about sick visiting and the testing of claims. I was only trying to arrive at what method you have adopted in testing claims. When you have got people on the fund, what steps do you take to get them off, when you think they are not going off properly?—That again is dealt with by the district committee.

927. They do not deal with it as they like, one in one way and another in another way? Are they not controlled from the head office?—Yes.

928. What instructions are given?—I should send a letter asking them whether they had satisfied themselves that this member was still incapable of following his occupation.

929. After how many weeks would you write that letter?—It depends on the circumstances of the case.

930. You have not got any rule of thumb?—No.

931. You do not say when anyone has been on for a couple of months: "You are to find out how he is going on"?—No, it would depend on what the complaint was.

932. Is the matter brought up to the head office in London?—It is dealt with by a special staff in London.

933. You call attention to those cases in which it appears to them, that the member might be expected in the ordinary course to return to work?—Yes.

934. You write to the district committee to inquire into the case?—Yes, they make a report either by the district secretary, or by the district committee itself. They may authorise the district secretary to act, and so save delay.

935. Is that report a detailed report or just a statement that they are satisfied or not satisfied?—Probably a statement that they have made inquiry, and are satisfied.

936. If they were satisfied, you would not go behind it?—We would not.

937. Suppose they were not satisfied, what would happen then?—I should say a direction would be given to the district secretary to call upon the doctor, and discuss the matter with him.

938. And then?—If he still considered that the person was incapable of following his occupation, the person would still continue on the fund.

939. That is to say, in the long run you rely for the protection of the fund upon the active assistance of the doctor?—Certainly.

940. Have you always received that active assistance?—So far as the State side of our work is concerned, there have been difficulties, but they do not exist to any extent at the present moment.

941. You think that the district secretaries are getting full assistance from the doctors?—I have no real reason to complain of them.

942. Have you got any reason to complain of them?—No, I do not say that there are no cases of difficulty. I cannot say that, and it is for that reason I cannot give an absolute answer to the question.

943. What do you say generally then about the system of sick visiting? Do you think that it ought to be improved, or that some other system of sick visiting ought to be substituted for it? Are you satisfied with the system as it stands?—Having regard to my experience up to the present time, I am not of opinion that any special step in that direction would be justified.

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[Continued.]

944. Why? Is it because you think no excessive claims have been made?—Not to any appreciable extent.

945. You are quite satisfied with the present state of affairs?—Yes.

946. You have not found any necessity for a medical referee?—No. That follows from the other. If our experience is satisfactory, we should not be justified in taking any more steps with regard to sick visiting, or appointing a medical referee.

947. You say that you would not be justified, having regard to the charge it would entail on your own funds?—Quite so.

948. What procedure did you adopt with regard to the admission of members to the State side of your society? Did you take all the old members who were willing to come without any inquiry at all?—Yes.

949. What about the people who were not on already?—We issued advertisements, literature, and that sort of thing.

950. I mean when you got persons to reply to the advertisements wanting you to take them on, how did you test their fitness (or otherwise) to be taken?—The question of age was disregarded entirely, and the other facts, as disclosed in the proposal form, were dealt with on their merits.

951. You did not make an examination?—No.

952. The proposal form was rather of a searching character, was it not?—Yes.

953. Was it vouched by anybody besides the actual person who sent it in?—In a great many cases the district secretary, or some member of the committee, would know the candidate, but in many cases he would not.

954. In very many cases he would not?—Yes.

955. Do you attach very great importance to the answers given on that form?—Personally, I think that the answers can be relied on in most cases.

956. There are a great many questions?—Yes.

957. For instance: "Are you of strictly sober habits?" That is a question the answer to which is probably not likely to be of very great assistance?—No, but some of them cannot answer the question. On that alone we exclude persons.

958. You do find persons who answer "no" to that question?—They would not quite say "no," but it is not "yes."

959. Look to question 11a on the application for membership form: "What illnesses have you had? How long were you laid up each time? Give dates." I do not know what the state of mind of an ordinary insured person is, but if I were asked a question like that I would find it very difficult to answer it?—It is sometimes difficult for them to remember all the illnesses that they have had in a very long period of years. But it is not difficult, if a candidate were so inclined, to state what illnesses he has had in recent years, and if he had been ill for any length of time he should know it.

960. That is what you mean—merely important illnesses, and not such things as colds in the head?—No, we should disregard that if it was stated.

961. So you would not take exception to anybody for not saying he had a cold in the head, on the ground that he was withholding material information?—No; it would have to be material information.

962. Do you think that this question was of very much assistance to you?—It was.

963. And that it enabled you to some extent to keep people out?—Yes, by these questions.

964. What number of people did you keep out?—403 out of 37,629. That is this year.

965. You are not saying that all those who were left in were good lives?—No, but we must use our discretion with regard to all these people. There may be some of them who have made wrong statements. That remains to be seen. We may be able to prove that later.

966. What ideal did you set before yourselves when you started to fill your approved society? Did you think you were going to take only first-class lives, or merely lives which were obviously not bad lives?—Good lives only—on the State side.

967. You definitely intended that?—Certainly.

968. Did you make any difference in that respect between people already members of your friendly society, and those who were not?—Yes. Persons who were members of the society when the Act came into force were admitted into the State section, if they wished, without any inquiry.

969. How do you deal with cases in which the illness is, in your view, attributable to misconduct? What do you mean by misconduct? What class of misconduct are you thinking of?—I do not know that I can pursue that because it is a question of analysis.

970. I understood you a few moments ago to make an observation about a single woman who had children, and to say that in that case you refused to pay the sickness benefit. On what grounds do you refuse to pay the sickness benefit?—That is one of the cases of misconduct.

971. Do you do that in the case of a first child?—Yes.

972. Also in the case of certain diseases?—Yes.

973. A case of illness brought on by intoxication?—Yes.

974. You refuse to pay in these cases?—Yes.

975. What is the procedure? The claim is made, I suppose?—Yes.

976. Who decides?—Inquiry would be made by the district secretary in the ordinary way.

977. Finally, by the district?—It might be definitely declined by the district, but they would have to have strong grounds for doing so.

978. Suppose they declined. Have you had many appeals from their decisions to the head office?—I believe there have been one or two instances, but they have been very few.

979. You get a certificate on the first day of declaring on?—Yes.

980. In all cases?—Yes.

981. Is there not considerable difficulty sometimes in getting it on the first day?—There is difficulty, but that is what we insist on.

982. If you do not get it on the first day, you do not pay?—Certainly, we only pay on the evidence provided by the certificate.

983. Suppose you get a certificate on a Saturday, and that the member fell ill on the previous Tuesday, do you begin to reckon only from the Saturday?—No. I am dealing with the date of the certificate. We do not question whether it is handed in on the day on which it is dated.

984. Have you found that some of these certificates are dated, or purport to be dated, earlier than the day on which they were signed?—I understand that the districts have some knowledge of that, but I have no personal knowledge of it.

985. What do the districts do when they find such a thing?—They probably protest to the doctor.

986. You get certificates for a week, or part of a week, and you get a declaring-off certificate at the end?—Yes.

987. You suggest, I understand, that there has been no unreasonable demand upon the society upon its State side?—Yes.

988. Do you not suggest that, for some reason or another, demands upon the society upon its voluntary side have increased since the passing of the Act?—Yes.

989. I do not quite follow the connection between the two. How do you make that out?—While I show that the claims on the voluntary side have increased to some extent, I do not regard that increase as being of such importance as to require special attention, so that it is, comparatively speaking, a slight matter.

990. It really comes to this. You are pretty fairly satisfied, so far as your experience goes, with the whole of the State matters under the Act?—Yes.

991. So far as you have got anything to suggest, you think that something ought to be done in the direction of interesting the insured person and directing his attention more to the fact that he is really a partner in the whole thing?—Yes.

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[Continued.]

992. That is the sum and substance of your evidence?—Yes. I feel very strongly on that particular point.

993. Have you considered any means by which that can be done?—I admit that I am in a difficulty in suggesting any means.

994. I was wondering whether it was possible for you perhaps to develop your district organisation to a greater extent. Has that occurred to you?—Really I am not prepared to make any suggestion with regard to the method which should be pursued, because I do not know that I have considered it sufficiently for that, though when I had the facts before me, it seemed to me a very desirable thing to do. Of course I realise we are dealing with a different kind of individual altogether from the one we have been dealing with hitherto.

995. Probably more different from the individual you have been dealing with than the individual that some societies have been dealing with?—Yes.

996. (*Dr. Fulton.*) You made some reference to insisting on your own form of certificate. Has there not been difficulty where you insist on the member having your own form in his getting his certificate on the first day? What I mean is that the branch secretary or his wife holds the certificate?—Yes.

997. The patient comes to see the doctor, who says that he should declare on the sick funds. He has to go to the secretary's house, and risk the secretary or his wife being out, to get your certificate?—Yes. I think that there may have been some delay with regard to that.

998. So you would admit that there is some advantage in the adoption of the Commissioners' form of giving a certificate, which is in the hands of the doctor?—Yes; there is some advantage in this respect, but my instructions to the officers are that they can take either, so that there is not any real difficulty.

999. That is, if he gets the Commissioners' form, you do not insist on the member getting your form?—No.

1000. Has each branch a special day on which it insists that all members must apply?—It has a benefit pay day, and the whole thing operates from that day.

1001. So that if a member declares on the fund on Monday, and Tuesday happens to be pay day, he must have a second certificate for Tuesday?—That is the practice, but instructions are given that in extraordinary cases, cases of difficulty, pay nights can be got over.

1002. There is no regular rule?—There is not.

1003. In your organisation the final subdivision is a branch?—Yes.

1004. The branches are collected into divisions?—Yes.

1005. Each branch has a secretary?—Yes.

1006. Each division has a secretary?—Yes.

1007. And a committee is attached to each secretary?—Yes.

1008. All cases of sick claims go direct to the secretary, or to the secretary's house?—Yes.

1009. The secretary, as a rule, has some personal knowledge of your members?—In the country districts, certainly.

1010. And in the large towns?—Yes.

1011. Your branches, as a rule, are not large, or before the Act, they were not?—No, not very large.

1012. May I take it that the great majority of your members are personally known either to the secretary, or to members of your committee?—I am not disposed to say the great majority, but a very large proportion.

1013. In the country districts, of course, they will be?—Yes.

1014. And the secretary for the voluntary side is also as a rule the secretary for the State side?—Yes.

1015. And part of his duty on the voluntary side is to make monthly payments to the doctor?—Yes.

1016. When he goes to the doctor at the end of the month he usually brings some money?—Yes.

1017. That is the time he makes the inquiries?—Yes; if he had any doubt he would.

1018. If not satisfied with the doctor's report he would bring it before his branch committee?—Yes.

1019. If the branch was not satisfied it would go before the divisional secretary in the first instance, who would bring it before his committee?—Yes.

1020. It would pass before those separate bodies before it reached your headquarters?—Yes.

1021. If the secretary makes a payment which he is not justified in doing, is he responsible for the money he pays?—Yes.

1022. The secretary is personally responsible if he makes a payment which the committee does not sustain; so he has to look out to see that no unjust claim is paid?—Yes.

1023. You cannot give the exact figures about the voluntary side of your work just now. Since the Act came into force, you say your sickness rate has increased on your voluntary side?—Yes. There is a certain increase there when one regards the whole circumstances.

1024. You say that the percentage of members claiming sick pay is 12·59; that is, the percentage on your voluntary side?—Yes.

1025. Is it not a fact that before the Act came into force the percentage was 16? In 1909 there were 33,000 members receiving sick pay out of a total of 201,000 members?—Yes. I dealt with the 1912 figures in giving the figure 12·59, which is correct.

1026. Would you look at those figures for previous years (*hands witness document*), and say if they are correct?—These figures are the rates for the years 1909, 1910, and 1911.

1027. These figures show the percentage of members who claimed sick pay. You say that last year the percentage was 12·59, and that these figures show that there has been a decrease since the Act came into force in the actual number of claims, perhaps not in the actual amount claimed?—I cannot agree with those figures. I do not say they are not correct. I daresay they are, but I have not looked into them. I dealt in my draft evidence with the position in 1912, and I gave a certain figure, 12·59, as representing the percentage of members claiming sick pay. I showed that in our State section, with a membership of 407,000, the percentage of members claiming sick pay was 12·77, that is, less recurrent cases, and on that basis the claimants for 12 months would be 17·47. At the first glance it appears that that is high on the State side, but certain things ought to be taken into account as applicable to a deposit society which have a bearing in that connection, and I do not think, having regard to that, that they are high. In reference to what your figures may show with regard to the two preceding years, I think that probably you are correct, generally speaking, because during 1912 there was a very good addition to the membership, and only about one-third of them are entitled to benefit during that year.

1028. (*Chairman.*) But you are both practically in agreement, namely, that any addition which there has been in this way to the charges on the State side of the fund is not attributable to the kind of thing a State fund is, and the kind of thing a deposit fund is?—Yes.

1029. (*Dr. Fulton.*) But many of these voluntary members are also in the State section. That raises the question of over-insurance. What has been the effect as to damage to the voluntary side on the part of those members who are in both sections?—I cannot say, having regard to the facts which I give, that there is sufficient evidence to justify any action, as the increase, if it is an increase at all, is so slight.

1030. (*Chairman.*) You do not think enough time has elapsed to come to any conclusion on the subject at all?—It is much too soon to deal with the question.

1031-2. (*Dr. Fulton.*) You do not think that the introduction of this Act has damaged your voluntary side, so far as those members are concerned who are both on the voluntary side and also in the State section?—I cannot say that it has.

1033. There is only one going-off certificate? Take the case of a member who belongs to both sections; if he declares off, it must be in both sections? If John Jones is declared off on the State side, he must go off on the voluntary side?—Yes. So far as the voluntary

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side is concerned, reference is made to the State certificate. We do not ask for two at any stage.

1034. Either continuing or going-on?—No.

1035. You do not allow an insured person to go off on the voluntary side if he does not at the same time go off on the State section?—Quite so.

1036. Has that ever been tried?—No.

1037. It has not leaked through to headquarters?—No. The districts might have experienced it, and dealt with it themselves. I have no knowledge of it.

1038. You have always had free choice of doctors?—Yes, for years.

1039. And the same wicked doctors are attending your patients as before?—The same doctors, I think, generally speaking.

1040. Have you noticed any alteration in their demeanour towards your society?—No, none at all.

1041. In the past, you have never experienced any difficulty with them except in the matter of fees?—No, our relations with the medical profession, both before and now, are quite satisfactory.

1042. (*Dr. Pearce.*) Have you experienced any difference in the sickness rate between your new members, who have come in since the Act was introduced, and your former members?—No, I have no statistics with regard to that. You are speaking of the voluntary side?

1043. No. Of the whole thing. Do you think the new members who came in since the Act was introduced, whether insured voluntarily or by the State, have a different rate of sickness from the former members?—I have not got the statistics, and I could not deal with that.

1044. Have you any impression?—No, I could not very well make any statement, without going into the matter.

1045. Because formerly you had a medical examination, and now you have not?—That is so.

1046. You can get no deduction from that?—No. The impression with regard to doing away with the medical examination on admission is all in its favour right through the society—that is, we are not in favour of going back to the old arrangement.

1047. Your sickness rate is low compared with the average. How do you explain that? You are speaking now of the voluntary side?—Yes, or even of the State side. I am dealing with the voluntary side first. I have no information with regard to the experience of the society on the State side. So far as our voluntary side is concerned the sickness rate is low, but that is accounted for to a great extent by the particular principle embraced by the deposit society in requiring a member to find a proportion of his sick pay from his own individual account in the society.

1048. You are convinced that that tends to lower the sickness rate?—I have no doubt about it.

1049. Do you think that your society is drawn from a special class of the community compared with other friendly societies?—I think that the society has been exceedingly careful in the selection of candidates.

1050. I should imagine that your society probably draws from the more provident section of the working classes?—I think so.

1051. That is your own impression?—Yes.

1052. You never had occasion to call for a second medical opinion? Is it not a custom of yours to refer a case to another medical man?—Except in cases of illness, where we have provided for that. On our voluntary side we provide for consultation with a second doctor.

1053. That is in the case of awkward illness, but in any case where you are doubtful as to whether a medical man is right in allowing a person to continue on sick pay, do you ever refer the case to another medical man for his opinion?—There have been cases when, I think, the honorary consulting physician for a division under the old arrangement was consulted. It was an honorary position. The division elected these gentlemen to that position, and occasionally they did refer cases to them.

1054. That was quite exceptional?—Quite exceptional.

1055. What is your interpretation of a person's right to sickness benefit? Is it that he must be entirely disabled from work, or disabled from following his special occupation?—So far as the voluntary society is concerned, there is a difference in the wording of our certificate and the certificate which the Insurance Commissioners use at the present time, and, of course, we rely on the actual wording, "and incapable of following his employment."

1055a. As regards the State side, what is your interpretation? I am anxious to elucidate that, because it is a very important matter. I can give you a concrete case. Suppose a girl employed in a shop is dismissed from her employment because she is deaf, though she is physically sound otherwise, would you consider that she was entitled to sickness benefit under the State?—I should not, personally.

1055b. (*Chairman.*) Would you pay?—I should not, if I were district secretary.

1056. (*Dr. Pearce.*) You interpret it as inability for work of any kind?—Personally I hold that if the doctor gives a certificate, you must adhere to the opinion which the doctor expresses and proceed with the case accordingly. While I say that, I think that the particular case which you have cited just now is quite an exceptional thing.

1057. It may be an exceptional case. Suppose an engine-driver—I am giving cases from my own experience—has acute eczema of the face, he is not incapable of work of any kind, and yet it is my duty to tell him that he is not fit to be on the footplate. Would you grant that man sick pay?—If you give a certificate that he was incapable of work, certainly I should.

1058. But the medical man's interpretation of "incapable of work" is, I think, "incapable of following his ordinary occupation?"—I am, personally, in all these cases inclined to adhere to the doctor when he says that the person is incapable of work, and though I do not say that the society does not do anything in certain circumstances, yet his opinion, so far as the insured person is concerned, should prevail in the ordinary way.

1059. (*Chairman.*) There may be a difference between Dr. Pearce and you as to the meaning of "work," and you may misinterpret his certificate altogether. What he is asking is whether you ever go behind his certificate to see what it really means. Would you say that you do not, and that you are content with the face value of the certificate?—I do not say that we should not inquire at all, but in the ordinary course the doctor's opinion prevails.

1060. You do not take steps to find whether the opinion the doctor expresses is the opinion which you think he has expressed?—I think we do, sometimes, and I think that it is a matter which is discussed by district committees.

1061. (*Dr. Lauriston Shaw.*) I think you say you do not expect to go in for the medical examination in future?—Yes.

1062. And that you would be content with the form being filled up?—Yes.

1063. Do you use any medical help to decide the question of whether these forms indicate good health or not?—Not in the ordinary course, although we have doctors attached to our district who sometimes assist us.

1064. They might look over the form?—I believe they do in certain cases, and the district and the division ask for an opinion occasionally, if they have an extraordinary case.

1065. When an applicant applies for sickness benefit, does he send in a statement himself or enclose the doctor's certificate?—We provide him with the form, and he either sends a note or a messenger.

1066. Does he state on the form that he has not been at work?—Yes.

1067. So when you have expelled these men, they have already stated they are not at work and you have discovered them to be at work?—That is so.

1068. And when I say "work," I mean that they have been at their ordinary employment?—In those cases.

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1069. You would not disqualify a man who has given up driving an engine, and is found at home chopping up wood?—I should not.

1070. The only occasion on which you expel men is when they are actually found engaged in the employment which they have stated they have given up?—No, I do not think that that would be absolutely so, but the example which you have given as to chopping wood is absurd. We allow a wide discretion as to whether a man can or cannot do anything while on the fund. I think it would be unreasonable to say that there was an imposition in the case of a man chopping wood, although there might be. But the general impression is that a man is expelled because he is following his employment, though he had said before that he was not doing so. He has never been expelled except when following his ordinary employment when claiming on the sick fund, and when he had stated that he had given it up.

1071. Have you had any difficulty in getting on the certificate of the doctor a statement as to the nature of the disease, when a patient began to be incapable of work?—We have had a difficulty.

1072. Would you accept the statement of a doctor that a patient is incapable of work, but that he does not know what is the matter with him yet?—We do not like those certificates. They have given us considerable trouble, but in some instances we did not get it from the doctor at all.

1073. You mean a certificate of inability to work, without stating the disease?—In most cases we made our own inquiry, and got over the difficulty in that way, on the statement of our officer.

1074. Your society is quite satisfied that there are no excessive sickness claims. Are they quite satisfied that all insured persons who ought to be resting from their work are resting from their work?—Yes.

1075. Your insured persons are quite all right?—Yes.

1076. And your finances are all right?—Yes.

1077. (*Miss Ivana.*) Would you suspend benefit if a woman member were known to be doing household work when in receipt of sickness benefit, though not following her usual occupation?—I think that that depends upon circumstances. If the inquiry showed that she had been doing a considerable amount, I think action would be taken by the district committee against the member.

1078. (*Miss Macarthur.*) I think you feel that you have a very superior class of life in your society?—I would not call it a very superior class of life. We admit the more thrifty class of workmen.

1079. You said, in reply to a question of the Chairman, that you had admitted members to your State section who previously had been in the voluntary section without the same inquiry?—Without medical examination—yes.

1080. But is it not a fact that their having been in the voluntary section means that they have already passed a test of health?—They had when they joined.

1081. All of them?—Yes, practically up to that date.

1082. So you have no member of the society who was not at one time or other subjected to a test?—Yes; we have the State members.

1083. But they have had the test of the inquiry?—They have all had to fill up the proposal form.

1084. You have the optional aid of medical examination?—In every case.

1085. Have you asked many applicants to submit to medical examination?—A large number.

1086. Before accepting them?—Yes.

1087. Have you under medical advice refused to accept a number of people?—Yes. They have been declined.

1088. Can you give us any idea of the occupations of your members?—I am afraid I cannot.

1089. No idea at all?—No.

1090. Can you give any idea of the occupation of the women, for instance?—No.

1091. Have you a considerable number of unskilled women workers in your society?—Not a large number, proportionately speaking.

1092. Would you say you had a small percentage of unskilled women workers?—Yes.

1093. Your women members are drawn more from the skilled or semi-professional classes?—I should think so.

1094. Would you say that the percentage of married women was small?—I cannot say that.

1095. As far as your women members are concerned, can you give us any idea of the age distribution?—Not at all.

1096. In what districts is your membership strongest?—We are stronger in the south of England than in the north.

1097. Are you strong in the industrial districts?—Yes, very strong in the industrial districts.

1098. Have you many members in Lancashire and Staffordshire?—No.

1099. Your members are drawn mainly from the south of England?—Yes.

1100. Do you find that the incidence of your sickness experience is greater in some districts than in others?—I have only found one little matter that might be remarked about in that connection—that is, that London is satisfactory, compared with the others.

1101. I notice in your outline of evidence a great number of cases of sick benefit disallowed in the case of members in hospitals?—Yes.

1102. Have you availed yourselves of your powers under the Act to make allowance for the benefit of such persons even when they have no dependents?—By entering into agreements with the institutions?

1103. Or in other ways?—Yes, we have, but there was no uniformity of action with regard to this particular point, and some time ago my society took steps in order to secure uniformity of action. It was our desire that the payment should pass from the society in all circumstances. We thought that that was the intention, but we were not clear with regard to the actual position of allowing the society to make payments in all circumstances, and hence those cases which really arose some considerable time ago when we could not make the payments.

1104. So there was a certain saving to your funds?—There was, undoubtedly.

1105. This saving will end with the new regulation?—Yes.

1106. You say you have disallowed a certain number of claims because an insufficient number of contributions were paid?—Yes.

1107. Were these claims disallowed altogether, or only for a period?—They might rank, of course, as an allowed claim later on.

1108. The members would have the right to pay up the arrears immediately?—Undoubtedly, and the claims would be good from that date.

1109. Except in the case of maternity benefit?—Yes.

1110. So you do not find any great saving to your funds under that head?—No.

1111. In connection with confinement, what is the average period for which you pay?—I cannot tell you how long the case lasts.

1112. You have no rule or understanding?—You are speaking of the State side?

1113. Yes?—No, we have not.

1114. You cannot give us any evidence on that?—Not with regard to length of time.

1115. You pay claims for pregnancy in the case of married women. Can you give us any idea of the number of such claims?—I cannot give the number.

1116. But you are quite clear that no claims have been refused on that ground?—Yes.

1117. You have told us that in the case of single women you disallow claims for sickness during pregnancy?—Yes.

1118. Would you allow sickness claims for a disease or trouble, not arising out of the woman's condition?—I think that it depends on the certificate in those circumstances.

1119. If the disease were attributed to her condition, you would refuse on the ground of misconduct?—Yes.

1120. You cannot give us any idea whether you have been able to pay a single woman in that condition

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benefit for other troubles not connected with her condition?—We should pay for other troubles not connected with her condition, on the doctor's certificate.

1121. But it would require to be something not connected with her condition?—Certainly.

1122. Have you had any appeals to your executive against refusals?—We have had appeals but a very small number.

1123. Have you had any complaints sent to the Commission?—I think we have had some complaints that have been sent to the Commission, but I am afraid I could not tell you the number, nor what they are about. I do not know whether you are speaking of complaints relating to sickness benefits, or generally of complaints to the Commission.

1124. I am dealing with the question of members' complaints because they have not received sickness benefit?—We are not aware of many cases where complaint has been made to the Commission in those circumstances.

1125. Have you had occasion to impose any fines?—Yes; we fine our members in certain instances. There are not many of those cases.

1126. Are there any women members on your committees?—Yes.

1127. On all your committees?—There are not women members on all, but on some.

1128. I think you have said that you are very well satisfied with the conduct of the doctors?—Yes.

1129. If that is so, why in the outline of your evidence do you say that so far as there are excessive sickness claims you consider it is accounted for in two ways, one of which is failure on the part of the doctor sufficiently to protect approved societies?—When I spoke of the doctors some little time ago, I was speaking of the relationship between the doctors and our society.

1130. Do you think you have better relations with the doctors than other societies?—I do not think I could deal with the question of other societies. In my own society it is satisfactory.

1131. What do you mean, then, by the statement that failure on the part of the doctors to sufficiently protect approved societies is one reason for excessive sickness claims?—What I mean is that I am dealing with some particular complaints. I think it is a matter of discretion as to whether an individual who appears before a doctor is incapable of work. If you take two doctors in the same circumstances, one might say he was, and one might say he was not. After all, that is a matter which one must leave to the doctor.

1132. That is merely an expression of opinion on your part and does not relate to your experience?—Yes.

1133. Would you agree that you are not yourself in actual contact with your members?—I agree, quite.

1134. It is quite possible that the district officers have discouraged, or refused claims, of which you know nothing?—Yes.

1135. (Mr. Davies.) Your first statement that claims have been made which are unjustifiable, applies to comparatively few of the members. Could you give us some aid in making the comparison. You have 407,281 members. Could you give us an idea of the number of claims that have been made which are unjustifiable?—I am afraid I cannot. My inability arises from this, that these claims are sifted three times at least when they get to me, and some of them are dealt with by district committees, and our officers, and, as I mentioned just now, I have no knowledge of those cases. There is no reason why they should come to my knowledge.

1136. May I assume that from the reports received from the committees that deal with these cases, you are satisfied in your own mind that there are very few?—Comparatively speaking, yes.

1137. What would you call very few, having regard to your 407,000 members?—That particular answer has been given after I received reports from my officers, and having regard to the replies which they have given, and I regret my inability to supply the figures as to the number of cases.

1138. You would not venture upon any comparative percentage?—No. I have not got the figures, so I cannot.

1139. The committee is inquiring into excessive sickness, and if you assert that there are unjustifiable claims, and we have no comparison as to the number of such claims out of your 407,000 members, it does not help us at all?—No. It is merely an expression of opinion. I suppose that there is no institution unaffected by unjustifiable claims. It is a question of degree, or of extent.

1140. That is what I want to find out?—It seems to me that unless you get returns from every district that you have got, you cannot speak about it in any other terms except by expressing a general opinion.

1141. Is the opinion which you have expressed here shared generally by your district committees, or your local committees?—I think you can take it that it is shared generally, as a result of the inquiry which I have made from our principal officers who come into more direct contact with our members than I do.

1142. In that same answer in your statement you say that you have only had eight cases of fraud out of your 407,000 members?—That is so.

1143. You suggest that members are more concerned in getting benefits whenever they have a possible chance of doing so, because they do not realise that it is to their interest collectively to keep down claims?—Yes.

1144. Could you amplify that? Does the member who is joining now feel that he is being made to pay his money compulsorily, and proceed to get as much as he possibly can out of the society, because of that compulsion?—The common position of the insured person is that he is an individual who knew nothing about friendly societies before the Act came into force, and he approaches the matter from a totally different standpoint from that of the old member of the friendly society, and it arises from that condition of the insured person that you get attempts to claim which you otherwise would not get.

1145. Do you think that that is general?—I think it is very largely held by that class of individual.

1146. You think that the members of the society do try to get as much benefit as they can get?—You are dealing with the society as a whole, but so far as my voluntary side is concerned, I am dealing with a member of the society who understands and appreciates the principle of insurance as practised by the friendly societies. This is one kind of individual. Then the man who is in my State side—excluding my old voluntary members for the moment—is a different kind of individual; he does not understand the essential principle of insurance as practised by the friendly societies.

1147. So you regard that as one of the principal causes of excessive sickness claims?—Yes, because he does not understand the position, and that is one of the reasons why he approaches the matter from the point of view from which he does approach it.

1148. Have you attempted any remedy in the way of education, or otherwise?—No, but I feel that something should be done with regard to educating the insured person.

1149. The second point you make as to excessive sickness is that a large number of people receive more income when they are sick than when they are at work. Could you say that that is a real cause?—In stating that, I say I do not think it does affect the question much.

1150. Would you assume from your general knowledge of friendly society work that if they do receive a trifle more it is absolutely required to meet the extra calls owing to the sickness, and though there might be a larger actual aggregate amount received, the expenditure is more?—I think it has a bearing upon the actual amount paid out, but from the reports I have received in answer to the questions put to the officers of the society, I do not think that it has any appreciable effect.

1151. So you would not trouble much about that side of the question?—No. I do not think it would

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make much difference according to the information which we have received.

1152. Another suggested cause is, you say, that reports received indicate that members remain longer on the funds than is necessary. Could you give us the proportion of those who remain on the funds longer than is necessary?—No. I cannot give any figures. That would be dealt with by our officers.

1153. Do the reports received lead you to believe that you have a large number of these, or a small proportion?—I do not think that it is a large proportion.

1154. You cannot help us by a percentage?—I cannot.

1155. What would you do in the case of a doctor dating back a certificate?—If the inquiry showed that the man was really ill, and entitled to be a claimant on the fund a few days before the doctor actually saw him, and the doctor certified that on that back date he was unable to follow his occupation, we should pay the claim. In other words, it is a question of a reasonable time elapsing between the man becoming ill and making the claim.

1156. Do you get any dating forward certificates?—I believe that there have been a few instances, but very few.

1157. You have not had to deal with them?—No.

1158. You say that you have had 220 suspended for misconduct. For how long has the suspension been?—I cannot give you details as to the sentences.

1159. There is not any general practice?—No. They are suspended within that rule, under the terms of that rule.

1160. You say your committees meet monthly?—Yes.

1161. If after the committee has met, a case comes forward how would suspension be effected?—In certain circumstances the district secretary may do something in that respect. He could claim to do it for the district in the name of the district, and he would be responsible to the district.

1162. So the suspension would be effected simply on the act of the secretary?—It might be in the first instance.

1163. Without consulting the committee?—I do not say that there would not be a consultation, but I think there might be circumstances in which that consultation might be with the district chairman.

1164. Have you no regular method of calling together the committee to consider suspensions and matters of that kind?—The committee meets usually every month, but there is nothing to prevent it meeting every day if necessary.

1165. In societies like friendly societies no suspension of benefit can take place until the committee has decided. What I want to find out is whether in your society the secretary can suspend without having called the committee together, and given the man a chance to appear before it?—I do not know that he ever has, but I think it is a question in some cases as to whether the district secretary would care to act on his own responsibility. He might.

1166. I just wanted to find out if it was possible?—I cannot give a case where he has done so.

1167. With regard to the sick visiting: how often are your members visited?—I think I have admitted that, practically speaking, sick visiting in our society is almost a dead letter. It is only in extraordinary cases that sick visitation is made at all. If it were necessary for a man to be visited a week afterwards, or even a month afterwards, a second visit would be made.

1168. Then I may take it for granted that the ordinary sick visiting by friendly societies every week does not obtain in your society?—It does not obtain.

1169. From the experience which you are now getting from the State society, though it was not necessary when people were drawing from their own funds, do you think, having regard to the remark you made as to people remaining on longer, because they had no particular interest in getting off, that your funds are affected by reason of not having visitation, and your thus getting larger sickness claims than you would otherwise have?—No. I do not consider, having

regard to our experience as to the amount which we are paying out to these members, and having regard to the actuarial estimates, that any step of that sort would be justified. These claims are such a negligible quantity as not to be worth pursuing.

1170. I suppose that you simply apply that statement to your own society: you would not say that that is so generally?—No. I am not dealing with anybody else. I am simply dealing with my own society.

1171. In your case you feel that it is not necessary to set up weekly visitation?—That is so.

1172. With regard to the society's procedure in dealing with proposals for membership, you say that every candidate is expected to fill up a proposal form, and that the local committee, the divisional committee, and the general committee each have the right to request the candidate to undergo medical examination. Does that mean that each of these bodies has the right to call on the candidate to undergo medical examination?—No, if the district exercises the right, the others would not. We never ask a candidate to undergo more than one medical examination.

1173. How do you arrive at the statement that it has been suggested that unjustifiable claims exist to such an extent that societies on the voluntary side have paid more sickness benefit since the Act came into operation?—You ask where do I get the ground for the statement that it is suggested?

1174. Yes?—Having regard to the statements in newspapers which I have seen.

1175. That statement is simply based upon what you have read or heard, without having seen any figures to justify any assertion of the kind?—Yes. I am not dealing with any other society so far as its voluntary side is concerned.

1176. But you use it in the plural. You say: "It" has been suggested that unjustifiable claims exist to "such an extent that societies on their voluntary side" have paid more sickness benefits since the Act came "into operation." I was just wondering if you had had that experience, because that experience does not obtain in the society with which I am connected?—No.

1177. You have no experience to show that that does exist?—No. I cannot deal with any other society, but if I am wrong in stating that there have been suggestions that the voluntary side has had more sickness claims in friendly societies, then the observation which I make there must be disregarded.

1178. The figures which you quote of your society's experience are for one year. Is it usual in making comparisons to use one year's figures as against five years' experience, or does not five years' experience give us a fairer average?—I am obliged to deal with the material which is before me. I have made a comparison of the six months during the present year.

1179. Which may have been exceptional?—It may be exceptional, but the same thing may apply to the very year for which you make the comparison. Last year may have been exceptional.

1180. But I suggest five years?—I think I give two years in one of these instances. In dealing with the sickness for six months, and in the general observations on the subject, no attempt is made to deal with the matter actuarially. It is a comparison of the actual payments with the old, to see whether there is anything in the suggestion which I say has been made.

1181. Can you give us the average length of the period of payments during cases of pregnancy, whether the claims have been submitted a fortnight, or six weeks, or three months before confinement?—I cannot give you any information as to the length of time without inquiry.

1182. You are not in a position to say whether claims are made largely by newly-married women as against women, who have been married for some time?—No. I cannot give you any statistics on that point.

1183. Have you any cases where young married women would come and have the whole 26 weeks' benefit, and then decide that they were not going to pay any more money to the society?—I cannot give you any information on that point.

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[Continued.]

1184. That would be in the hands of your districts?—Yes.

1185. (*Mr. Wright.*) As to the voluntary side of your society will you accept my suggestion that your society has a constitution peculiar to itself, in so far as it cannot be described as a permanent society, and it cannot be described as a dividing society, but is a sort of combination of both?—I cannot accept the suggestion that it is not a permanent society.

1186. I am not criticising?—I do not admit that it is not a permanent society.

1187. Can I put it this way? A member who joins a voluntary society has a dual interest in the society; he has an interest in the common sick fund, and he has also an interest in his deposit?—Yes.

1188. His deposit being his property?—Yes.

1189. Either actual cash deposited or accumulations of the annual division of the surplus of the common sick fund?—Yes.

1190. And when a member draws sickness benefit, a proportion of that sickness benefit is taken from the common sick fund and a proportion from his deposit?—Yes.

1191. Therefore, each week that he is drawing his benefit he is paying part of the benefit out of his savings?—Yes.

1192. And when his savings have become exhausted he receives a payment which is called in your rules grace pay for a certain number of weeks?—Yes.

1193. When that period has elapsed his sick benefit would cease?—Yes.

1194. And the same conditions apply to the medical benefit?—Yes.

1195. I believe it was the custom to pay the medical man according to a scale of fees?—Yes.

1196. Set out in your rules?—Yes.

1197. And when the medical practitioners sent in a bill, part of it was paid from the medical fund which was a common fund, and part from the members' own deposit?—Yes.

1198. So that your members all had a personal and financial interest in drawing as little sick pay as possible?—That is so.

1199. So they had a personal financial interest in paying as few visits to the doctor as possible?—Yes.

1200. You have now 407,281 State members. How many of those were previously members of your voluntary society?—I cannot give you the numbers, but I should say that well over 100,000 of the old members joined the State side, when the Act came into force. That would be about half of the then members.

1201. That would be, roughly, 25 per cent. of the membership would have been previously members of the voluntary side?—Quite that number.

1201a. Twenty-five per cent. of your State members have had that sort of training in drawing their benefit which would induce them to draw as little benefit as they possibly could because they have been accustomed to pay part of the benefit out of their own savings?—Probably that, and because they understand the principle of insurance as practised by the friendly societies.

1202. Yes, I accept that; but they had been trained to recognise that when they drew sickness benefit, they were drawing to their own detriment, because a portion of it was paid out of their own savings?—Yes.

1203. Therefore, 25 per cent. of your State members have had that training?—Yes.

1204. Have any, and if so, how many, of your members drawn State benefit without at the same time drawing voluntary benefit?—I think it would be a very small number if it exists at all, but I cannot say that it does. I am afraid that I cannot deal with it.

1205. Dr. Fulton has already pointed out to you that your attitude towards the medical profession and their attitude towards your society has always differed from that of other friendly societies. You paid on the basis of a scale of fees?—Yes.

1206. I believe that the doctors have always been satisfied with your schedule of fees?—I believe they have.

1207. May I point out that the divisional secretary who has to deal with the medical man is not a working

man? He is not what you would describe as of the working classes?—He is of the better type of working man.

1208. I will accept that. He is a man who would be able to meet the doctor on terms of greater equality than the ordinary working man or friendly society secretary?—I do not know quite what you mean.

1209. I mean that his social standing would approximate more closely to the doctor's social standing than that of the ordinary working-man secretary who carries through transactions with the doctor?—He represents, perhaps, the better type of working man.

1210. You are acquainted with all types of friendly society secretaries?—Yes.

1211. You admit that the social standing of your secretary is superior to that of the ordinary friendly society branch secretary?—It might be.

1212. That would be a reason why it is comparatively easy for him to get information from the doctor?—Yes. I do not think that he has any difficulty in getting information when he wants it.

1213. Considering the system on which you paid the doctors in the past, do you not think that your past experience of the doctors would be likely to influence their attitude towards you now?—I think it might.

1214. Therefore you would be in a more favourable position to deal with the doctors than an ordinary friendly society?—I do not think I can express an opinion with regard to their position as to whether it is favourable in dealing with the doctors. I can speak for my own, which is satisfactory.

1215. The doctor has never been regarded as an officer of your society?—No. He was some years back, but not for a number of years.

1216. Your members always had free choice of doctor?—Yes.

1217. The doctors were always paid according to a schedule of prices, and not by capitation?—Yes.

1218. What is the member's remedy in the first instance if he considers that he is being deprived of some benefit to which he is entitled?—He has a right to appeal to the local district, and from that to the division, and from that to the general committee, the board of management of the society, and he has further the right, which is possessed by every member of a friendly society, of going to arbitration.

1219. And to apply to the Commission, if he likes, after that process has been exhausted?—My answer was given as to the position of the members on the voluntary side.

1220. I want the State side?—He would appeal to the district committee in the first instance, and then to the division and to the head office, and, if necessary, to the Commission.

1221. He would go from the district to the division, and from the division to the general committee, and from the general committee to arbitration, and from arbitration to the Commission?—Yes.

1222. With regard to certificates, would you pay sickness benefit to an insured person who, having been certified incapable of work, was found doing another sort of work?—No; I do not think I should in all circumstances. It is a question of circumstances.

1223. Dr. Lauriston Shaw said, supposing your visitor found a man chopping wood, would that deprive him of sickness benefit?—Not necessarily.

1224. Supposing that man had got a little shop in which he sold wood, and that the man was chopping wood?—It is all a question of degree and discretion, and I should think that when it is a matter of business it is a totally different thing from the illustrations which Dr. Shaw gave.

1225. Then you treat every case on its merits?—Yes.

1226. (*Mr. Warren.*) With regard to the statement you make that reports received from officers indicate that members remain on the fund longer than is necessary, that is, of course, merely a matter of opinion. Is that so?—What I meant was this—that I have had certain cases reported to me arising out of that question which I put to the officers, that in their

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opinion, speaking of a particular member, a man could have resumed work before the doctor certified him as fit to resume work. I pointed out in that connection, however, that it is a matter of opinion between the district officer and the doctor. But I am not going to say that the doctor's opinion must be disregarded if he takes the responsibility of issuing a certificate.

1227. You do not regard these reports as indicating any fraud, or any desire of a fraudulent nature on the part of the insured person?—No; you see it is a question of the doctor's certificate, and the question is what is the exact condition of the insured person. Undoubtedly he is ill, but the question is whether he is in such a state as to be incapable of work within the meaning of the Act. When the doctor says he is, and the officer expresses a doubt, the opinion of the doctor prevails.

1228. Do you have in respect to all claims for sickness benefit a weekly certificate from the doctor?—Yes.

1229. And are you satisfied that in all these instances the patient has been seen by the doctor that week?—Well, I have no knowledge that he has not.

1230. Is there any form provided other than this form that you put in yesterday?—No; one form is used for all purposes.

1231. What about continuation certificates?—It is the first, the continuation, and the final one. The same form is used.

1232. We may disregard then the rule of the National Deposit Friendly Society in respect to sick visitation, although your rule does provide for it, but I notice that in other cases, where possible, the general committee shall make arrangements whereby in all possible cases insured persons receiving benefit are visited. That is more honoured in the breach than in the observance?—Yes.

1233. That being so, does it follow that the rule in respect of the conduct of members also falls into disuse?—Oh, no.

1234. Would you mind telling us what means you have for enforcing the rule of your society, dealing with conduct which is likely to retard recovery. You have no sickness visitation. You accept one certificate from the first to go on as continuation and final?—I do not think it is right to say that we have no sickness visitation. Immediately a doubt arises, the man would be visited.

1235. If there was any doubt as to his or her conduct, who is to see that this particular rule is observed?—Then the district would move.

1236. To your own knowledge, you are not of the opinion that over-insurance has affected the question of claims?—Not to an appreciable extent.

1237. But from your experience, would you say deliberately that since benefits became operative under national insurance what has obtained is the want of appreciation on the part of a number—the larger number of persons—as to what insurance means?—Yes.

1238. With what it involves?—Yes. What we find is that the insured person does not understand that he is to be the gainer from the successful working of his own approved society. Or if he does know anything about it, he lets the other matter, the question of being a claimant, over-ride that. He does not realise being in the position that a levy may have to be made upon him.

1239. They do not realise that they stand or fall by their own particular society?—Quite so; it is a matter of opinion, but it is a very strong one with me.

1240. You have had very satisfactory experience in the matter of your relations with the medical profession, and you say in the statement which you have submitted that the attitude of the profession towards the Act was undoubtedly hostile, but that there has been an improvement in this respect, and that there is room for still more. Would you say whether the sympathetic attitude adopted by the doctors is towards a particular society, or towards the insured person, or towards national insurance as a whole?—I was speaking more of the difficulties which have been encountered in getting sick pay certificates and one or two other

things, and I called attention to things which are, practically speaking, things of the past.

1241. Not to trifling complaints for which doctors are alleged to have put persons on the fund?—I think there are cases of that description, and it was, in my mind, not a small number of cases.

1242. Would you mind telling us what you would consider it advisable to do in order that, if possible, something like the old relations should be brought about between the doctors and the societies administering the benefit?—It is a question of opinion I take it you are asking for. On the general question I may say that I like the arrangement of the members of the approved society appointing the doctors, for thus a contract is made with the institution that pays.

1243. It might possibly tend to a mutual understanding that would be beneficial in the matter of checking malingering?—I think it might have a bearing upon it.

1244. (*Mr. Mosses.*) Are the majority of your members insured for State purposes only?—I cannot say at the moment, but, roughly speaking, about half.

1245. Is the control exercised by those who belong to the voluntary side?—It is exercised by both collectively.

1246. That is to say, that the State member who is not connected with the voluntary branch, would be eligible to hold office in your organisation?—Yes.

1247. You stated that the unit of administration was first the branch, secondly the division, and thirdly the central authority?—Yes.

1248. The officials connected with these three divisions are indiscriminately members of either the State or the voluntary section?—Yes. They may be honorary members.

1249. Have you any periodical branch meetings?—Yes; we have an annual meeting and then a district meeting. The district meets every month. Then there is the annual meeting of the branch.

1250. It is a monthly meeting of the committee?—Yes, and the annual meeting of the members.

1251. Then any aggrieved persons could not bring their case before the branch meeting?—Oh, yes. There could be a meeting at any time, but in the ordinary course it meets monthly.

1252. At this monthly meeting would anyone, having cause of dissatisfaction, be entitled to bring their case before that meeting?—I have no doubt they would be heard if they made the request.

1253. Are they well attended?—Yes; they are well attended.

1254. Is considerable interest shown by the members in the business?—Yes.

1255. Of course, we have in the society with which I am connected a great number of members in connection with State insurance who are aggrieved members, and I suppose you have some. Have they an opportunity of appealing not only to the official element, but to the democratic element in the society?—Yes; that is so.

1256. Your statement was very interesting to me that you made your secretary responsible for his own mistakes. I suppose you have very few occasions in which he makes a mistake?—Comparatively speaking, yes.

1257. I understood that he defers payment until he has the authority of someone superior to himself? Did that obtain before State insurance?—No.

1258. But it applies to the State side?—Yes.

1259. With regard to your medical certificates you have had less trouble than anyone I have heard of. You insist, of course, upon medical certificates in every case?—Oh, yes. You are speaking of sickness benefit.

1260. Is payment made personally?—Yes, in most cases.

1261. Do you insist upon the specific illness being stated?—Yes, we do insist upon it. We have not got it in several cases.

1262. In cases where it is withheld, what is done?—It is necessary to make a statement as to the circumstances, and express an opinion upon it. Upon that we may pass it.

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1263. It is quite conceivable that a sick person may have his benefit debarred?—For a few days.

1264. (*Mr. Thompson.*) Can you tell us how many districts you have in your organisation?—I think it is roughly 2,000.

1265. And would you tell us by whom the district secretary is appointed?—He is appointed by the district committee. That is subject, of course, to the oversight of the divisional committee, and in turn the head office.

1266. The whole machinery works in that way?—Yes.

1267. May I ask how his remuneration is settled? Is it settled by the governing committee or the branch committee?—It is settled by the rules, and the rules are subject to discussion at the annual meeting of the society. The amount of the remuneration to be paid to the district secretary would depend on membership.

1268. In the event of a sick visitor holding a different opinion from the doctor as to a man's capacity for work, you invariably uphold the doctor?—Yes; I think in every case one may say so. The ordinary procedure would probably be that the district committee would request the secretary to confer with the medical man.

1269. As regards payment of benefits to members in hospitals, does the payment or non-payment rest with the district?—No; that has been determined by the head office.

1270. So that the district secretaries have been instructed that it was not the policy of the society to pay?—Yes, all claims, whatever they are, go to the head office, and they authorise them in the first instance.

1271. When does the district secretary pay the claim?—As soon as he gets notice that the claim is authorised.

1272. No claim is paid until it is sent to the head office?—That is so.

1273. I notice in your abstract of evidence that you distinguish between fraud—members asking for sick pay and withholding information—and one case of forging a doctor's certificate. How do you discriminate between the two?—I think that that is one of the four cases of fraud which I mentioned.

1274. You had only one case of forging a doctor's certificate?—That is so.

1275. Of course, your district secretaries would be familiar with the doctors' certificates, and they would see the doctors' forms first?—In most cases they would know the signature.

1276. Perhaps the most important point of all that I can ask is with reference to this very satisfactory reduction in the claim ratio?—Yes.

1277. It has consistently, month after month, from February to July, been going down to what everybody looks upon as a satisfactory total at present. Can you tell us have you had any special reasons for arriving at that?—We authorise the payment of the money from the head office. These figures, from which these statistics have been compiled, are actual payments made. The only assumption made is in respect to the sixth month. It would be more desirable to make the figures apply to six months and not to five. It is only in respect to this that any assumption is made in the figures at all. For five-sixths it is actual experience and represents actual payments made, and a calculation is made as to the cost of the one-sixth on the same data. A large number of members are continually joining.

1278. Are you gaining by transfers?—Yes; we receive a very large number of transfers.

1279. Did you take any special steps to bring about a reduction in the rate of claims, and will you tell the Committee what they were?—There were no extraordinary steps taken by the society during the past few months, or indeed at any time, with regard to getting this claim ratio reduced in this way.

1280. I do not know how you explain the difference, because there is a considerable difference, although a friendly society may expect to see a very great difference in the summer months in the ratio of claims. In February your sickness rate was 2.99?—I should be surprised if it went up to that again.

1281. Can you tell us how you brought it down from 2.61 in March to 1.95 in April?—No. I think that all the approved societies would at the outset have experienced excessive claims which were brought about by the fact that there is more illness at that time of the year. It was also brought about by the fact that everybody who was ill, practically speaking, was put on the fund at that particular time. But that would only occur once at the commencement of the Act.

1282. (*Mr. Watson.*) I understand that though you are satisfied with the experience of the society you have grounds for thinking that there are weak spots in it?—Yes.

1283. From the answers you have given to the members of the Committee there is good ground for thinking that those who were members of the old voluntary society were a very special class?—Yes.

1284. And it is quite probable, I suppose, that the old conditions are still operative?—Yes.

1285. You explained to Mr. Wright that where members are insured on both sides a concurrent claim arises?—Yes.

1286. A claim on the voluntary side, and at the same time, a claim on the State side?—Yes.

1287. So that it is probable that the old members have even now a strong incentive to keep down their claims?—Yes.

1288. I understand that the opinion of the officers on the subject is that unjustifiable claims did not exist in the case of the society, or at least were only a very small quantity. That is the general opinion of your officers?—That is so.

1289. I was interested to hear from your statement that you rely practically entirely upon the doctor's certificate?—Yes.

1290. In fact, in cases of doubt you talk it over with the doctor, and if the doctor remains of his original opinion you accept that?—Yes.

1291. And you are satisfied that that is a sufficient protection?—Yes.

1292. Had you, before national insurance was instituted, any rules governing the conduct of members during sickness?—We had rules that a man was not to do any paid work, and general rules of that description.

1293. You had no precise rules. In fact, you relied on your deposit system?—Largely.

1294. You agree with Dr. Shaw that if a doctor gives a certificate, and if the doctor's interpretation of "incapable of work" means "incapable of following his ordinary employment," you would accept that?—Yes.

1295. You would accept the view in all circumstances that if a doctor says "incapable of work" meaning "incapable of following his customary occupation," you would hold the society liable?—Yes. The difference is that a certain certificate is required to be given, and having been given it is relied upon, as being what it purports to be. I do not say that the society would not have an inquiry in cases of doubt, and in pursuing that inquiry it might interview the doctor.

1296. Suppose the man is an engine driver, and he loses his arm. He is certainly incapable of working as an engine driver. Would he be entitled to sick pay on that account for the rest of his life?—No.

1297. The doctor could certify that he is not capable of following his ordinary occupation?—I do not know that I ever came across such a case, where a doctor would give a certificate within the required wording in the circumstances.

1298. You have not come across such a case?—No.

1299. You say that the doctor takes the responsibility?—Yes.

1300. If the doctor's certificate is never questioned except by way of interview with the doctor, would you explain what his responsibility means?—It is his responsibility. The doctor is responsible for the wording of the certificate that the person is incapable of working. That is the responsibility I referred to. The onus is upon him in giving the certificate.

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1301. The onus, but what follows?—Well, I mean to say his reputation, if he gives a certificate when he ought not to give one.

1302. Are no steps taken?—It is not correct to say that no steps will be taken with regard to cases of doubt, because I stated that a case of doubt would be dealt with by the district. It would be investigated by the district, and made a subject of discussion between the district and the doctor.

1303. I understand that you accept the doctor's decision?—I do not know whether the doctor's opinion in this case would be held to prevail over the other.

1304. But the doctor takes no responsibility at all?—I would not put it that way myself. I do not think it right to say that he has no responsibility. His responsibility is that he is the person giving the certificate.

1305. The responsibility lies between the doctor and his own conscience?—Yes.

1306. He is not answerable to anybody?—I agree.

1307. On the subject of over-insurance, there are one or two questions I want to put to you. In 1911 you paid 48,000*l.* in your voluntary side, and in 1913 you paid 71,000*l.*?—The number of members has increased from those dates, but new members did not come into benefit.

1308. You have an increase approximately of 50 per cent.?—There is not so large an increase in the number of persons entitled to benefit. There is not an increase of 50 per cent. in the average amount of payment.

1309. From 48,000*l.* to 71,000*l.* is an increase in the total amount of nearly 50 per cent.?—Yes, but you must have regard to the fact that two-thirds of the new members that came in might be claimants and be entitled to benefit.

1310. You have increased by 50 per cent. with a much smaller increase in the number entitled to claim?—That is so.

1311-2. How many of your members on the voluntary side are not State insured?—Taking present membership of about 330,000, I should say about 100,000.

1313. So that as regards the 180,000, or about 60 per cent. of the total, the position has remained unchanged?—There can be no question of increased insurance.

1314. The Insurance Act has made no difference to that either way?—Yes, that is so.

1315. So that you have only the minority of the members who have increased their insurance, and, notwithstanding the fact that only the small proportion of 40 per cent. have so increased their insurance, the total claims have gone up from 48,000*l.* to 71,000*l.*?—They cannot have gone up 50 per cent. State insurance has increased the number who receive benefit.

1316. I would suggest to you the possibility that this increase of claims on the voluntary side is largely due to the claims on the voluntary side of those members who are also State insured?—I am rather inclined to the opinion that the increase of claims on the voluntary side is accounted for by the fact that a large number of new entrants have gone into that side, and they have yet to be educated. They are a different kind of individual to the ones we had before. I think, speaking of friendly societies generally, that they have had a large addition to their voluntary side, and that they will get rather heavier sickness until those members know more about the principles of insurance. When they do come in, and continue on the voluntary side, they may, as a matter of fact, qualify at once by putting their money down.

1317. Are not the amounts of their deposits very small for the first few months?—Yes.

1318. So that any claim they might make would be of short duration?—Not necessarily. It depends on how much money they put in.

1319. That is to say, in addition to paying their contributions they may bank their deposits by making a voluntary contribution?—Yes, I agree that in an ordinary case the deposit of a voluntary member early on is small.

1320. Have you made any actual examination to ascertain whether those members, who are on the voluntary side and who are also State insured, had a more costly experience?—No, it is a question with regard to the number who have joined during the last two years we are dealing with.

1321. Not altogether. Do you say that of the 100,000 new members not more than half would have qualified for benefit. Is it not probable that the bulk of the 50 per cent. of increased claims came from people who were State insured?—I do not think there is any ground for that suggestion.

1322. (*Miss Wilson.*) You say that you only pay sickness benefit on the doctor's certificate?—Yes.

1323. Is that the case as regards confinements?—I ought to have made that exception, as a midwife's certificate is in these cases accepted.

1324. You accept it from the first?—Yes.

1325. How long?—From the time the Act came into force.

1326. For how many weeks after confinement do you accept it?—We do not accept it in respect of sick pay.

1327. You do not accept it at all for sick pay? After the woman is confined you require a doctor's certificate?—Yes.

1328. From the first?—After the payment of that benefit, if there is a claim for sick pay.

1329. Then if they want to make out their claim for sick pay in respect to confinement, you do require a doctor's certificate?—I do not think I quite follow what you mean.

1330. I am taking the sick pay of a married woman after confinement. In that case do you require a doctor's certificate for that sick pay?—Yes.

1331. Then the woman who is attended by a midwife may have to pay for a doctor's certificate?—Yes, that is so.

1332. Would you tell us the number of weeks you pay the sickness benefit in those cases?—No, I cannot tell that without looking it up.

1333. Can you tell us whether she is put on for a month?—I cannot without looking it up.

1334. Have you any information whether the fact that the woman has to pay for the doctor's certificate is a deterrent from putting in a claim for sickness benefit?—No.

1335. You have no information?—No.

1336. I see that you have a rule that unless a registered medical practitioner, or a duly qualified midwife is called in, benefits cannot be given. Have you had any claims in which neither of these have been called in?—We have had cases of difficulty, but they have been got over. There was a certificate, one way or another. They called in a medical man afterwards, and his certificate was accepted.

1337. In the cases where questions have been raised of possible compensation, were all these cases of accident, or were there cases of industrial disease?—Industrial diseases were included.

1338. Can you give us any details about that?—I have the material for giving further information, but I have not got it with me.

1339. In the case of an unmarried mother, you told us that you refused sickness claims. You have had no appeals? It has been accepted in all these cases that they are always refused on the ground of misconduct?—Yes.

1340. (*Dr. Smith Whitaker.*) You referred to the back-dating of certificates. I see from your certificate that the date should be the first date of incapacity?—Yes.

1341. Whereas in the Commissioners' form of certificate it is clear that the date is that on which the doctor examined the patient?—Yes.

1342. Because the doctor says: "I have to-day examined," &c.?—Yes.

1343. Now in your form the date should be the first day of incapacity. How is a doctor to inform himself of the first day of incapacity?—Suppose as a fact that the day of incapacity was yesterday, and that the insured person goes to the doctor to-day and dated it back to yesterday, it would be accepted.

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1344. That is to say that you have no means of knowing when the doctor saw the patient?—No.

1345. For anything you know, the date on which the doctor saw the patient may not be the date of the certificate?—Yes.

1346. The doctor may have satisfied himself by inquiring of the patient that there was some reason for supposing that the patient was incapacitated on that date?—It may be that. The doctor may make an assumption on the matter. I say that that is his responsibility.

1347. It cannot be within his own knowledge?—It may not.

1348. Can it be within the doctor's knowledge that the patient was incapacitated unless he sees the patient so incapacitated?—It is sometimes a question for an expert, and I imagine that there are circumstances where a doctor could see from the evidence before him that this insured person was incapacitated, say, yesterday.

1349. You mean from diagnosis?—Yes.

1350. You do not mean that the doctor should in any circumstances take the patient's word for it?—Oh, no.

1351. The doctor has arrived at his own conclusion from his own examination of the patient?—Quite so.

1352. In ordinary cases, the first day of incapacity is when the person sees the doctor?—That is so in ordinary cases, but there are extraordinary cases, and then a certain risk is taken. May I put it this way? I would feel that the doctor was acting wrongly if he filled up the certificate by putting in a date that was not ascertained by his own examination of the patient.

1353. Would you think there is any advantage in the other system, requiring the doctor to date the certificate from the date on which he examined the case, making that clear?—I am not disposed to think that in all circumstances there could be no exception whatever, and that no discretion should be given to the doctor.

1354. But if the doctor is to have that discretion, is there to be nothing which would suggest that his exercise of that discretion should be in some special way reported to the society?—It would certainly be advisable if he made that report.

1355. If the doctors generally could be got to take that view, would you think it desirable?—It would be a very good thing.

1356. And the certificate to be dated on the day of the examination of the patient?—Yes.

1357. Any other exceptional circumstances should be dealt with in a covering letter, or something of that sort?—Yes.

1358. With regard to remuneration and doctors' certificates, I am sure you will agree with me that there are doctors who make mistakes?—Yes.

1359. And might do even things which one could not defend?—Yes.

1360. I was not quite clear how you could distinguish the case of a doctor, who acted wrongly in giving a certificate, from the case of a man who gave an honest certificate. What kind of check have you?—I may say that it is only one case I remember with circumstances such as those you refer to. In that case we requested our member to go to another doctor.

1361. You had circumstances which came under your notice that put you on inquiry, and the inquiry satisfied you that the doctor was acting wrongly, and you requested your member to go to another doctor. Was that under the Insurance Act, or apart from the Act?—Apart from the Act.

1362. If these circumstances arose in the experience of one of your district committees with regard to one of your State members, do you think that there is any other course open to the district committee?—I think it would be a case that would require special treatment.

1362a. It should go before the committee?—Yes.

1363. Of course the board of management has control of it?—Yes.

1364. It is possible that they might think it desirable to bring the matter before the insurance committee with which the doctor has made the contract?—Yes.

1365. Of course it is open to your members to go to any doctor?—They can go to any doctor.

1366. Is there any difference between the action of a doctor in giving a certificate for your society and their action in giving certificates for other societies, and from what can that arise?—It is the same.

1367. Can you imagine anything that should lead a doctor to be more scrupulous in giving certificates for your society than for other societies?—No, I do not know why he should do it.

1368. In regard to an answer given to Mr. Warren I was not quite clear as to what you meant. I understood from your answer to Mr. Warren's question that there were previously reasons why the society which had to deal with the sickness benefit should be the persons to enter into a contract with the doctor, rather than that the contract should be made with some other body. Was that the spirit of your answer?—Yes.

1369. That is to say, looking at the matter from the administrative point of view of the society?—Yes.

1370. Your society, I think, has acted for many years on the principle of giving free choice of doctor by the insured person?—Yes.

1371. From what point of view? Was it for the benefit of the society, or because it was preferred by many members?—I think it was a question of being preferred by the members more than anything else.

1372. Of course, you need not answer the question if you would rather not, but do you think the system has any advantage from the point of view of the society, taking it broadly?—It is a case where you can hardly think of the point of view of the society as distinct from the point of view of the members. If something is of advantage to the society, it follows that it is of advantage to the members.

1373. At any rate you consider that there might be other considerations taken into account in looking at the system in connection with administration?—It is quite a matter of opinion. It may or may not be a better system than the existing one.

1374. You are looking at it from the administrative point of view?—Yes.

1375. (Chairman.) I think there is one matter on which I must go back. You are quite familiar with the provisions of the Act?—I think I am.

1376. You know section 8 (1) (c) dealing with the circumstances in which people become entitled to sickness benefit?—Yes.

1377. Sickness benefit is a periodical payment made while they are incapacitated by some specific disease, or bodily or mental disablement. Is not the question whether a person becomes entitled to sickness benefit a mixed question of law and fact?—Yes.

1378. You are not a lawyer, Mr. Tuckfield?—No.

1379. There are two questions therefore to be considered when a man comes to make his claim?—Yes.

1380. The question of fact is whether he is disabled?—Yes.

1381. And the question whether his disablement brings him within the terms of the statute is one of law?—Yes.

1382. The first question is for the doctor. He knows about the fact?—Yes.

1383. The second question is the question of law—the question whether he is incapacitated from work in the meaning of the statute?—Yes.

1384. When a certificate is given in respect of the engine driver who is not able to drive an engine, the question whether he is in a state that entitles him to receive sickness benefits is a question which must be decided not by the doctor?—Certainly.

1385. No society can hand that question over to the doctors to decide?—No.

1385a. By the rules of your voluntary side a person is entitled to sickness benefit if he is afflicted with illness disabling him from following his calling. That is to say, you have always worked under a rule where the question is, whether the man is incapable or incapacitated from following his calling?—Yes.

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[Continued.]

1386. Not whether he is incapable of any work?
—Yes.

1387. The circumstances are now changed?—Yes.

1388. A different law is now in operation?—Yes.

The witness withdrew.

Mr. F. N. BLUNDELL (*Chief Warden of the Lancashire Federation of Rural Friendly Societies*) examined.

1391. (*Chairman.*) I think you are chief warden of the Lancashire Federation of Rural Friendly Societies?
—Yes.

1392. I think that is a registered friendly society?
—It will be, but owing to the delay in the office of the registrar we have not yet been actually registered, but they have approved our rules for the purpose of registration.

1393. It did not exist before the passing of the National Insurance Act?—Not as a federation; but a number of our branches were registered friendly societies before.

1394. It is, however, an approved society now, for the purpose of the Act?—Yes.

1395. It consists, I think, of about 5,040 members divided into 61 branches?—Yes.

1396. And a number of those branches were friendly societies at the time the National Insurance Act came into operation?—Yes.

1397. Some have been newly constituted for the purpose of taking insurance business?—Yes.

1398. It takes in both men and women?—Yes.

1399. Can you give us any idea of the proportion?
—About 4,050 men and 1,000 women, roughly.

1400. And, generally speaking, it was intended to deal with South Lancashire agricultural labourers, was it not?—The whole of Lancashire.

1401. It includes, in fact, agricultural labourers, gardeners, persons employed on estates, drivers and carters, canal boat men, country carriers, shore fishermen, bricksetters and stonemasons, roadmen and platelayers, and porters in the district?—Yes.

1402. Generally speaking, you think that the claims made on the funds of the society have not been in excess of what might reasonably have been expected?
—No.

1403. With regard to that, you think in one case you have come across a series of excessive claims?—I should like to explain that, because that note on the abstract of evidence which I submitted was given under a misapprehension. If I may explain our financial arrangements it will make it clear. We pay all our money into one account at the bank, and each of our branches is given a credit with a local branch of the bank to draw up to a limit. The limit is fixed at 3s. a member, and is revised from time to time. When they exceed that amount of 3s. per member, they have to apply to the head office for further grants. This particular branch, under a misapprehension of the rules, kept on applying for fresh supplies of money when as a matter of fact they had not spent their original amount; so, we found that though the branch was being very carelessly managed, they had not spent any excessive amount. The misapprehension was caused by the fact that most of our papers were in the hands of the Treasury auditors, and we could only make them out from the pass books. We think there were unjustifiable claims on this particular branch, but the total amount was not above the average.

1404. Although you think that on the whole the claims have not been unjustifiable, still you find that there is among your members a certain general misunderstanding as to the principles of insurance?—I think so in a good many instances.

1405. You think, in fact, that people who have now for the first time come into insurance are taking the best chance they can of getting their own back?—I think so.

1406. What is the proportion of people who have previously had experience of friendly societies' business?
—It is rather difficult to say. I should say rather less than a quarter.

1407. Do you find with regard to them that they are more or less scrupulous than people who are new to the game?—I think they are rather more scrupulous,

1389. Or at any rate a law expressed in different words?—Yes.

1390. Whether that law means the same thing as this is a question for lawyers?—Yes.

but not so particular as they were before. Several of our secretaries who were previously secretaries of the old societies have found an increase of claims up to about 30 per cent. over what they had previously had.

1408. On their voluntary side as well as on their State side?—Yes. But others again have not found any increase, and others a decrease.

1409. I assume that when claims are made on the State side in the case of persons who are insured on both sides, care is taken to see that they are not claiming on one side and neglecting to claim on the other?
—We do not exercise any authority over the private side at all. We only deal with societies for State insurance purposes.

1410. But the local officials with whom you work are the same people who are running the private side?
—Almost always; but there are one or two cases where they are different people.

1411. There is a close connection?—It is the same committee.

1412. Although it is an informal connection?—Quite.

1413. As to over-insurance, do you think there is any over-insurance in respect of your members?—It rather depends on what you mean by over insurance. We think a good many of our members are insured for more than the amount they would receive only from State insurance, but we do not think there are many more doubly insured than prior to the Act. We found that a great many members of our old societies were also members of another tontine dividing society before the Act. Now they have dropped one, and keep one and the State insurance.

1414. They are not more heavily insured than before?—No.

1415. What is the average amount of wages of an agricultural labourer in the district you are concerned with?—It varies very much in Lancashire. On the whole, I should say, it runs from 20s. to 27s. a week. 21s., I should say, is the average.

1416. What occupation are the women for the most part engaged in?—In my own part of Lancashire, where I live, we have comparatively few women members, and they are mostly dressmakers and washerwomen. The bulk of our women members come from the Fylde district, and are mostly farm servants.

1417. What is their rate of wage?—The average is about 9l. to 12l. per half-year. They are engaged by the half-year mostly.

1418. Living in?—Living in. But that is subject to correction. I have no regular evidence.

1419. I am just taking the general impression. You say you do not find a difficulty in getting people off the fund who have got on?—We have really had very little sickness indeed. I can give you the figures if they interest you. This abstract of my evidence was drawn up in consultation with our executive council, who are mostly branch officers, and the general opinion expressed by them was that that was not the case, and that generally they were inclined to come off too soon if anything.

1420. Have you come across any case of actual fraud in the way of getting on, or in neglecting to go off?—Not actual fraud. I think one or two cases went off very suspiciously soon after the case began to be investigated.

1421. There was no case in which you felt it necessary to take disciplinary action?—No. We found it necessary to take action with regard to a branch, but not with regard to individuals. We considered that it was due to slack management on the part of the branch, more than to any action on the part of individuals.

1422. You looked at a whole lump of cases and you thought there were so many that there must be some-

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[Continued.]

thing wrong?—One of the officers of the branch told us that he thought their affairs wanted looking into, and we sent our auditors down, and they found there had been great slackness.

1423. Your own auditors?—Our own auditors.

1424. In what way?—In not taking continuing certificates, and the secretary of that branch had been in the habit of admitting members without submitting them to the committee.

1425. Turning to the relations between the society and the doctors, there again perhaps you were rather stating your general impression as to the general attitude of the doctors in the rural parts of Lancashire?—I am bound to say that we did not feel very much confidence in them.

1426. Is that based on any facts?—I do not think it is based on facts, but on a sort of general impression.

1427. Have you found, for instance, any difficulty in getting a doctor to state the nature of a complaint on the certificate?—In the Leigh district there has been. The insurance committee and the doctors' local committee have had a dispute for some time, and that was the only place where I have had any complaint.

1428. There is something about Leigh in the evidence you have submitted, but that is a special case?—That is the only case we have heard any complaint about.

1429. In the other cases you have the illness stated all right. Have you found that from the beginning, or has it gradually come about?—We have had no complaint from the beginning.

1430. Have you found this sort of thing, that the doctor has been reluctant to state the disease on the certificate for a good cause, and has yet been willing to tell you privately what the complaint was?—We really have not had any complaint at all except from the Leigh district, where, I believe, they simply put down "illness," or "accident," without any specific statement. Otherwise we have had no complaint at all on that score.

1431. What about continuing certificates?—We have been told that the doctors are rather reluctant to grant them in some cases, and there has been a little bother in getting the certificates signed.

1432. What do you attribute that to?—To the doctors thinking that the insurance committee is trying to make them do more than they contracted to do. I think it is a question of a sort of sticking up for themselves more than anything else.

1433. And are they sticking up as much as they were doing?—No, I do not think it amounted to anything very much really.

1434. You make some allusion in your evidence to some practice of refusing to give prescriptions except when sickness benefit is about to be, or is being paid?—We have had several cases in one district where the doctors refused to give a prescription unless the members went on the books.

1435. What district is that?—I do not know what the medical district would be, but it is near Ormskirk and near Burscough.

1436. Is it concerted action on the part of the medical men?—We have two branches, and both secretaries complained that they have had cases.

1437. What steps have you taken as regards that?—We did not take any steps, as a matter of fact, because the men did not go on the books.

1438. The whole thing stopped?—Yes.

1439. But on the other hand, they did not get their medicines?—They went without. I merely complained to the insurance committee.

1440. You do not know anything more?—I have not heard yet.

1441. When was the complaint made to the insurance committee?—Two months ago.

1442. Have you followed it up in any way?—Not yet, no.

1443. Generally speaking you make some observation here that I would rather have from your own lips on the general condition of societies under the Act?—We think officials of societies, and especially small

branch officials, are crushed by red tape. That is the long and short of it.

1444. What do you mean by red tape?—It is rather difficult to say. There are too many forms to be filled up, and too many certificates. We are constantly getting instructions from headquarters, and are not allowed to do anything our own way.

1445. As far as certificates are concerned, what are the certificates that are required? There is the coming-on certificate; that, we all agree, is necessary?—Yes.

1446. There is the continuing certificate which, I think, you yourself agree is most necessary to be obtained?—Yes, usually. But to give an example. I was talking the other day to a branch secretary who had resigned—one of the best men—and he said the reason why he resigned was because there was no sense in the regulations. That is, of course, a sweeping statement. The reason he gave was: "What is the use of my having to go, and get a certificate from a man who lives exactly opposite me, when I can see out of my own window that he is ill in bed."

1447. Of course, that is the sort of observation a man might make, but do you attach much importance to it?—No; but it irritates the men who have been accustomed to running societies to be obliged to get certificates when they know they are not necessary, whereas if we could leave it to the branch committees to obtain certificates when a man has been ill for some time, or where they live in an outlying part, or something of that sort, it would be sufficient. In the majority of cases, probably, the continuing certificates would be regularly brought in; but where the officers of a society knew that there was no necessity for obtaining a certificate, they would not be galled by thinking they were doing unnecessary work.

1448. Is it the Commissioners who have required the obtaining of the continuing certificates?—I do not know whether they have actually insisted on it, but I am rather given to understand that there would be difficulties with our audit if we did not have them.

1449. I do not quite understand what the suggestion is. Anyone can understand that directly the State comes into this sort of relation to small societies all over the place, there is a certain amount of difficulty on both sides, and it is probably irritating. The question is whether the demands are necessary or not?—What we think is that if a society was able to satisfy the auditors that they were spending the money properly, that should be sufficient.

1450. How can they satisfy the auditors except by certificate?—Would that not have to be a matter of experience, to a certain extent? Supposing you are running any ordinary kind of business, you do not keep your books strictly according to a particular form; but when the auditors come round you explain the method in which you keep your books. If one could have a little more of that sort of thing in the friendly societies, so long as you adopted some reasonable method, you would not be tied to someone else's particular method. I admit it is very difficult to say that this or that certificate is unnecessary, but if the societies were allowed to frame their own methods they would make pretty considerable changes, and even if it meant nearly as much work, they would be much better satisfied.

1451. I follow what you say. Then I gather the inference you draw is that people lose interest, and there is not the same check upon the actual members which there is, when they are running their own affairs?—I think there is no doubt about that. A number of secretaries, especially the new ones, are rather inclined to think that as long as they have the certificates in order, that should be sufficient.

1452. I leave that at present, unless there is anything you want to say?—I do not think there is anything I can say about it. It is difficult to pick particular holes in regulations, and to say any particular certificates are not necessary. But our point is that we think we ought to be allowed much more latitude in framing our own regulations, provided we satisfy the auditors of our carrying on the work efficiently.

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[Continued.]

1453. I think the next subject you want to talk about is the question of sick visiting generally. What is your system of sick visiting?—We have not got any system for the federation as a whole. Our idea in building up this federation was to interfere as little as possible with the local societies, so that they have all sorts of differences. In some places, where the members are very much scattered, the idea has been to have a member of the committee from each hamlet, or group of farms, and make him the sick visitor for the group. In other places where they are living more together, there are, perhaps, two or three or four formally appointed sick visitors, who are chosen from time to time. In another branch they have made all the committee sick visitors. This is a village where the members are living pretty well together, and the different members of the committee take it in turns week and week about. One man is on for a week, the next man for the next week, and so on, so that the sick person is visited by different people.

1454. Is there a regular visitation?—It is very difficult for me to say. I believe and hope so.

1455. At any rate there is no system which prevails through the whole federation. It is different in different places?—Yes.

1456. You have not given any general instructions?—No, except in telling the branches to appoint sick visitors. We have not indicated to them any particular way of appointing them. Of course I should say that in a certain number of our branches it is quite impossible to carry out any sick visiting. For instance, in the North Lonsdale part of Lancashire, where the farms are scattered all over the place, it would be quite impossible.

1457. Are those farms where the labourer lives in?—Some live in, and some have cottages near the farm, but comparatively few labourers are employed. It is a stock raising and sheep raising country.

1458. But further south?—Of course they live more in villages and it is easy enough.

1459. And there is a great deal of garden produce and that kind of thing?—In south-west Lancashire, yes. Really our strongest membership is in the Fylde and between Preston and Lancaster, which is not mainly arable.

1460. Is that merely grazing?—Mixed farming, more grazing than arable.

1461. Supposing the sick visitor is dissatisfied for whatever reason with the condition of the case. I do not mean as to whether the man is getting well or not, but as to making proper claims. Is there any general rule as to what happens?—No. Of course he is supposed to report to the committee, and I have no doubt in most cases he would do so if he was really dissatisfied.

1462. The committee does not report to any central body?—We have not had any case, but we find our branch committees are very reluctant to take any drastic action on their own initiative. They prefer to send it to the head office, and get resolutions passed that they are to do so and so. They very often indicate the lines on which they would like a resolution to be passed. They all know one another, and it is rather difficult for them to take action unless they are strengthened from behind.

1463. I quite follow. Turning to admission, was there any general rule about admission to the various branches?—They were supposed to be in every case elected by the committee, but, of course, we were rather hurried at the end, and in many cases I think the secretaries took in any eligible person.

1464. There was no medical examination?—No.

1465. There was a form filled up?—Yes.

1466. Was it tested in any way, or was it the bare statement of the applicant?—There was no form with regard to health, only the ordinary admission form.

1467. In the ordinary admission form there are questions, are there not, with regard to health? Your form contains a question, "Have you been vaccinated"?—I do not think there are. We eliminated the rule about vaccination afterwards. We relied on the fact that in most cases the secretary, or the person

who was acting for the secretary, knew the people personally.

1468. And you were inclined to rely rather on their knowledge of the men's character than on their knowledge of their diseases?—Yes.

1469. Have you any reason to suppose that in taking these steps you acted rashly or otherwise?—No, I think we acted prudently except in one case where the secretary had an idea that he was going to make money out of it, and he acted, if I may say so, rather on the lines of the agent of a collecting society, and took in everyone he could get, but that was the only case in which we had any dissatisfaction.

1470. Generally speaking you aimed at getting rather a select kind of society than a numerous society, did you not?—We did not aim at any selection in the lives. We aimed at selection in the class. We told our people not to refuse any ordinary agricultural labourer because he was not a particularly fine specimen of labourer.

1471. Did you tell them to refuse people who had some recurrent disease?—We told them to refuse people who, they knew, were sick or were regularly in the habit of being sick.

1472. Or had peculiar habits?—Yes, but the majority are not sick, so that the question did not very often arise.

1473. Now as to medical referees, you have not appointed any medical referee?—No.

1474. Have you made use in any way of any medical man outside the ordinary panel doctor who is attending the patient?—We have not had occasion to.

1475. What are you contemplating doing?—We are rather waiting to see what happens as the result of this inquiry.

1476. Of course you may have to wait some time?—Supposing the case arose, we should employ some independent doctor, who was not the patient's doctor, and probably not a panel doctor, but we would leave it to our branch committee, as a rule, and get them to suggest someone they had confidence in.

1477. I will take you very shortly over the general observations you make at the end of your outline of evidence. You think you have had a satisfactory record as regards sickness so far?—May I give you the figures. On our membership the actuarial calculation of the sickness we should have expected per member per week is 2·81 pence, and we have actually experienced in the third quarter 1·641 pence, and in the fourth quarter 1·784 pence. As a matter of fact these amounts, in a good many instances, include administration expenses, because, owing to all our books being taken by the auditor, we have only been able to draw up these figures from the pass-books.

1478. You attribute that, not to any refusal of benefit to which the people were entitled, but, in the first place, to the healthy occupation of your members generally?—Yes.

1479. And, secondly, to a close personal knowledge in the branch, which means close personal supervision?—Yes, and also the general character of the members. My experience of the agricultural labourer is that he hates being ill more than anything, as a rule. He very often does not go on the books till a long time after he ought to, because he so dislikes being cooped up in a house.

1480. Then on the medical referee point, I understand you to think that you might like to employ an independent medical man?—We have not got any very strong views on that point. If it was necessary, we should much rather select a man ourselves than have to refer to some official.

1481. What have you in your mind in regard to that?—What we are thinking about is, first of all, that if we had a regular official medical referee, we do not think in the great majority of cases our branches would employ them at all, because they would think it was rather putting a slur on the individual member, and unless they were absolutely certain that the man was malingering, I do not think they would ever call him in, and these exceptional cases would be so few, that it would be very much cheaper to employ an independent doctor and pay him one fee, than have to contribute so

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[Continued.]

much a member for the support of medical referees, if that is the method in which it is put to us.

1482. Where would you get your independent medical man from?—In a great many cases where we had had an old society, it would very likely be the former doctor of the society.

1483. He would be a man on the panel, probably?—Very often.

1484. It would be a little awkward to have appeals from the other panel doctors practising side by side with him?—I do not know. We should not have to decide appeals. We should only get an opinion.

1485. He would be in a rather embarrassing position?—He would not know in all probability whose patient the man was, unless he went to a great deal of trouble over it. We should not tell him.

1486. Is there anything you would like to add generally?—Just on that point as to a medical referee, I do not know what the proposal would be, of course. We imagine that if a society can appeal to the medical referee against a member, the member could also appeal from the decision of his panel doctor, or from the society. We think wherever any member had any disagreement with a panel doctor, which not infrequently happens, he would constantly appeal, not to annoy the society, but to annoy the doctor.

1487. Of course you understand there is no proposal before us, but it is difficult to think of any system in operation which would take away, in present circumstances, the discretion of paying or not paying from a society, subject, of course, to all sorts of appeals. No one has ever proposed any plan which would not leave the society this question to decide. The medical referee can do nothing but advise?—Quite, but supposing the medical referee were to say a man was not suffering from rheumatism, for instance, the society would be very hard put to it to go on paying sick benefit.

1487a. You would not think, would you, of a medical referee seeing a man without an opportunity of conferring with his own medical man. I should think the referee would hesitate before he contradicted the doctor who gave the certificate?—That is another of our objections. We think there would be too much conference, and that one referee would be afraid to go behind another medical man, whereas, if we just sent a man to someone quite independent, who did not know whom he was being treated by, we should probably get a straight opinion.

1488. Would it not be a strange thing from the doctor's point of view to have a patient presented at him in that way? All he knows is that someone has certified something to be the matter with the patient in order that he may in the dark, without any consultation with the previous adviser, possibly form a different opinion. I do not know what a doctor would think of it?—I do not know what the doctors would think either.

1489. I understand you to say in your evidence that according to your view the actuarial calculation as to the amount of sickness benefit which would have been expected to be paid in the third and the fourth quarters was 1,535*l.* 9*s.* 6*d.*, the actual cost in the third quarter was 448*l.* 7*s.* 5*d.*, and the actual cost in the fourth quarter was 487*l.* 8*s.* 3*d.*, making a total of 935*l.* 15*s.* 8*d.* The actuarial calculation per member per week was 2·81 pence. The actual cost in the third quarter per member per week was 1·641 pence, and in the fourth quarter per member per week 1·784 pence?—That is right.

1490. Then you say these figures include some proportion, you do not know what, which is really attributable to administration?—Yes.

1491. (Mr. Wright.) This abstract of evidence represents not merely your personal opinion, but is the considered opinion of your executive council?—Yes. We discussed it all together at a meeting, and then I drafted this report, which I based on what they have said.

1492. And you have signed it on their behalf?—Yes.

1493. The executive council is a body elected by the council of wardens?—Yes.

1494. And the council of wardens is a body elected by meetings of the various branches?—Yes.

1495. Every member having an equal vote at the meeting of the branch?—Yes.

1496. It may therefore be said that the executive council is directly representative of the members, who have enough interest in the society to attend and vote?—That is so.

1497. You have 5,040 members divided amongst 61 branches. Were all those branches friendly societies previous to the establishment of a federation?—No, rather less than half.

1498. About 30 of them independent registered societies?—Mostly registered, but some unregistered.

1499. But all societies of a permanent character?—Yes. One had been in existence for over 130 years, and two for over 100 years, and most of them were societies of long standing.

1500. Not what is called paying permanent benefit?—A large number of them were dividing societies, but were registered, and had been going on for some years and were in a substantial position.

1501. Can you tell us what proportion of these 5,040 State insured members are at present insured for voluntary benefits in these independent societies?—Not with any accuracy, because we found that a number of the members of these small societies were members of two societies before, and some chose us as their approved society and some chose others, but I should say roughly speaking about a third of them, or possibly rather more were previously insured.

1502. You have told us the way the council is elected in theory, but in practice does it work out that the actual insured working members of the society are elected to the council of wardens?—In a good many cases, but it is not as often as I should wish. The reason, I think, is that to obtain a secretary who can keep books, and so on, they are very often obliged to go outside their class and get a clerk or someone of that sort, or a young farmer's son, who has done book-keeping, to act as secretary, and they have very often elected the secretary as warden. But we find in a case where there were two wardens that the second is invariably a working man.

1503. That is where they have the right to send two representatives?—That is so, but in a good many cases, especially in the case of the old societies, the secretaries are working men and members, and they are practically all insured persons.

1504. The executive council consists of 14 members, I think?—Yes.

1505. How many of these 14 may be stated to be insured persons, actual members of the society, excluding honorary members?—Excluding honorary members I do not think there are more than seven.

1506. About half and half on the executive council?—Yes, but on the general purposes committee, which really does most of the work, three out of four are actual members, and two of them are insured persons.

1507. May I take it that the executive council is fairly representative of the mind of the members?—Yes, that is so.

1508. I wish to draw your attention to the paragraph in your statement which says: "There is also a tendency among old friendly society members to be less scrupulous about drawing on the funds than they used to be, and we think that this is due to the fact that their loyalty to, and pride in, their societies has been lessened owing to the action of the Insurance Commissioners in taking so much of the real management out of their hands, and making the societies to a great extent administrative units only." What have you to say in support of that view?—It is what our branch secretaries say. One does hear the men say something about "having a draw at Lloyd George." Expressions of that sort they certainly would not have used when drawing on their funds before the Act.

1509. You think they are less scrupulous about drawing State money than they would be about drawing on their own funds?—I do not say, or think it is a very serious matter. There is a tendency to look upon it as a fund they need not be so particular about.

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1510. Do you find actual attendance at branch meetings is being decreased?—I should say it has rather increased, because they never know there may not be something new. About the time the present council of wardens was being elected, immediately after the Act came into operation, I believe the meetings were usually very well attended.

1511. There is really more interest being taken in the society on the part of the members?—I should not say that. I should say they were interested about that time in finding out what was going to happen to them. They had started paying, and they wanted to find out how the money was going to be spent. They often said, "We know all about the paying in, but what about the paying out?"

1512. In the opinion of your council, is there a greater interest taken on the part of the members or a lesser interest since the introduction of National Insurance?—I do not think I can answer that question. I would if I could. I do not know whether there is or is not.

1513. You say, "We are of opinion that proper supervision of the members by their elected officers is the only way in which unjustifiable claims can be checked." What was the custom with regard to checking claims in these societies which are now federated?—There were always sick visitors and reports to the committee, but, as a matter of fact, we found that, as a rule, most of these small societies were really one-man shows. You had an energetic secretary, or an energetic treasurer. Sometimes the treasurer did more work than the secretary, and they often went round and checked the sick visitors themselves. Now they are less keen, and are tied up with work.

1514. How many members does your largest branch possess?—About 286.

1515. And the smallest?—The smallest has five. We have four or five small outpost branches. They will not be registered as branches.

1516. In the case of every one of these branches, would you say that the members know one another fairly well?—No. In some branches they would, of course, but the branches are so scattered. In North Lancashire, for instance, there are large tracts which are very thinly populated. In the case of the old societies' branches, most of them did know each other.

1517. Do you suggest that supervision should be exercised by officials, or that the ordinary members should look after the interests of the society, seeing they know their fellow-workers?—If supervision is exercised by the society officials, the members will see that the society officials are acquainted with the facts.

1518. I have only one more question, with regard to your statement: "We think that the practice of some doctors in refusing to give a prescription unless the applicant goes off work causes some members to claim sickness benefit, when it would otherwise be unnecessary for them to do so." Is it a fact that doctors have refused to give any advice or treatment unless the member ceases work and claims sickness benefit?—Those cases were reported to us. There were four altogether from the same district. Three were from one part of the district, and one from another. The members stated that they could not get medicine unless they went sick. They were busy, and it was inconvenient for them to go on the books at the time, and they said they were not bad enough.

1519. Were those statements verified?—I presume they were, because the members did not come on the books.

1520. The effect is this: that these members were ill, feeling that they required medical treatment, and they were refused medical treatment because they did not feel justified in absenting themselves from work. Is that the position?—It may have been that the doctor thought that medicine would do no good unless they stopped working. The man who made the most definite statement said that there was not much the matter with him, but the doctor refused to give him a prescription unless he signed on.

1521. This is a very important statement to make. Would it be possible for you to investigate this matter further and supply the Committee with particulars?—

Certainly. I could get you all the particulars of the case.

1522. You see the importance of it yourself?—I do. I have not heard of it, except in this particular district.

1522a. (Mr. Warren.) You are representing a federation of societies?—Yes.

1523. Societies of various types, as mentioned by the Chairman?—Yes.

1524. Therefore these representations you have put in do not assist us in forming any idea as to the administration and management of any one of these particular societies; they only deal with the federation for the purposes of National Insurance?—That is so.

1525. In other words, it is a grouping up of these various societies for valuation and other purposes?—That is so.

1526. We are not able to gather anything from these rules as to sickness supervision or sick visitors, or anything of that kind?—You will find that in Part II. of the rules.

1527. Is that peculiar to all the societies?—All the societies on the State side have to adopt these rules.

1528. I think you are prepared to withdraw that part of your statement which says, "in the case of one branch we find unjustifiable claims have been made"?—No; I withdraw the statement that there was any excessive sickness. We do think that unjustifiable claims were made, but they were not so large in amount as to cause excessive sickness claims. The average of the branch was not much higher than the average of the whole of the societies. Our auditors were of opinion that people were staying on the books too long in one or two cases.

1529. You are of the opinion that there is a general misunderstanding among persons, who previously have had no experience of insurance, as to the principles of National Insurance?—I think so, not only in regard to National Insurance, but also any insurance. I do not think that they understand the point of combining together.

1530. I speak of persons who had no previous knowledge of insurance?—That is so.

1530a. You feel that in your particular area, they do not appreciate what it really means?—I do not think a great many of them do.

1531. I mean as to deficiencies and surpluses and all that may be involved in financial stability, and that a day may come when they may be called upon to increase the contributions or diminish the benefits?—I do not think it is likely to come so far as we are concerned, but I do not think they appreciate that it may be coming.

1532. You think it would be well if the general public could better appreciate what it really means?—It certainly would be better.

1533. You could not suggest to us how that can be brought about?—I do not think it can be brought about, except by gradually filtering through.

1534. In the majority of cases, have the societies which are federated been societies with a medical adviser of their own, and having medical benefit as one of their benefits?—All the old societies have been. The new branches were formed of persons who were not previously insured at all.

1535. They were branches of agricultural labourers?—Mostly agricultural labourers. The great majority of our members are agricultural labourers.

1536. What about canal boatmen?—That was only to bring in one branch.

1537. They had experience of a medical adviser in connection with the branches?—Yes.

1538. And in all these cases there was generally a mutual understanding, or fairly good understanding between the branch and the doctor?—Yes. I think that as a general rule they get on pretty well with their doctors.

1539. He took a great interest in the branch?—Yes, round about us certainly. We have about five branches in my immediate neighbourhood, and practically all the members have taken the old club doctor as their panel doctor.

1540. And they have great confidence in him, and regard him as safeguarding their interests?—Yes.

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1541. While performing his duty properly as a professional man?—Quite so.

1542. Do you think that they are suffering from the fact of the doctor being severed from his old association with them on their voluntary side?—The difficulty we have had on the voluntary side is that we had a certain number of members who did not come in under the State scheme. We have had great difficulty in providing them with medical benefit.

1543. As a matter of fact, you have not been able to do that really satisfactorily?—They are being paid at the same rate as the insured person is, but the arrangements are not satisfactory, as you say.

1544. (*Mr. Mosses.*) Do you exercise a very strict geographical limitation with regard to membership?—No. We have branches in Lancashire, one or two branches in Westmoreland, and several in the West Riding.

1545. In the case of your members in the branches going away, say to Monmouthshire, or coming down south, would they still retain their membership in your organisation?—Yes, they could. I have been trying for some time to arrange with other rural societies to have an easy transfer, but have not yet been able to get them into line. So far as our members are concerned, they remain members unless they wish to join some other society.

1546. Roughly, there are 4,000 men and 1,000 women in your organisation?—Roughly, yes.

1547. Have these women any representation upon your governing bodies?—They have not, so far, on the governing body of the federation, but a good many of the branches have women members on their committees, and in one branch, where there are a good many women members, they have a separate committee of women.

1548. With regard to the managing committee which deals with the question of State insurance, are they represented there?—No. They could be if they were elected, but they have not so far been elected.

1549. They have shown no disposition to be represented?—No. I have heard nothing at all about that.

1550. Do the men give them any encouragement?—I could not say. I have not heard anything at all about it. In most of our branches the women are a very small minority. In many of them there are very few women indeed—about 5 per cent. Where we have women members, they are mostly in three or four branches, which have a large number of women.

1551. In the aggregate, one-fourth of your membership consists of women?—They are nearly one-fifth.

1552. They have practically disfranchised themselves?—They have not been elected to the governing body, but I know they are represented on several committees. I do not know how many committees; I have not inquired.

1553. What has been the effect of the National Insurance Act upon your federation. Has it consolidated the membership, and strengthened the body?—It did not exist before the National Insurance Act.

1554. What effect has it had upon the friendly societies who compose the federation?—Of those who were old societies before, some have greatly strengthened their membership, and others have considerably diminished their membership. We had some difficulty in getting our rules in order and in getting approval, and for that reason a number of members who would have stuck to their old society joined other societies.

1555. You rather complain of the surfeit of red tape and clerical work?—Yes.

1556. That is rather a common complaint. You are aware that the Commissioners allow the use of composite forms, and that there is no reason for using so many forms as at the beginning?—Yes.

1557. Would the adoption of some scheme of composite forms do away with a good many of your complaints?—The difficulty is that we have a fresh outcry from our branch secretaries every time we introduce anything new that we are obliged to. It is not so much the head office. It is the little branch secretaries, men who work hard all day, and when they

come back in the evening they find new forms to fill in, and they say they cannot fill them in.

1558. Do you inundate your branch officials with the various administrative orders and instructions you get from the Insurance Commissioners?—We do not if we can help it. We do not send out anything which we feel it is not absolutely necessary for them to deal with.

1559. You are of opinion that if societies were allowed to work out their own administrative practice, having regard to local peculiarities, they would be able to work much more efficiently than at present. To what extent would you ask for power to go outside the prescribed forms?—I should very much like to write an essay upon that. I could not very well explain off-hand. It would mean that one would have to work out a scheme. I tried to explain to the Chairman that one cannot say off-hand now that this is necessary or that is unnecessary, but that if societies were allowed to work out a scheme of administration—I do not think it need necessarily be on all fours with the administration of other societies—they would have more interest in it. The test should be whether the scheme provides for satisfying the auditors that the societies are utilising the money properly.

1560. Do you mean the State auditors?—Yes.

1561. Your experiences with the medical faculty have not been altogether happy, have they?—We have not had any considerable number of complaints. We have just had this one point about prescriptions, and one or two other complaints. I cannot say our relations have been unhappy. The general feeling among our branch secretaries is that doctors want a certain amount of looking after. I do not know how far it is justified in fact.

1562. Have you had any difficulty with the forms the medical men send in. Do they give the nature of the illness from which the patient is suffering?—We have had a difficulty in only one district. That is the Leigh district of Lancashire, in which there has been a very long dispute. We have had no other difficulty of any sort.

1563. The doctors have given the malady from which the patient is suffering?—Yes.

1564. Would you return a certificate which just said "illness" or "incapacity for work"?—We leave that to the branch committees. We try to interfere as little as possible with our branch committees on any subject. They have power to refuse a certificate. I think it says in the rules that a certificate must state the nature of the illness, but in the majority of cases they would accept a general statement.

1565. I presume your federation is what is termed a society with branches?—That is so.

1566. You spoke of the auditors. Who are the auditors? Are they men from the ranks of the insured persons?—Yes. We have two of our own auditors.

1567. Are these men popularly elected, and do they serve for the whole of your 60 branches?—Yes.

1568. You have a central system of auditing?—No. The arrangement is that where the executive body think it is necessary, the auditors can go down either to inspect the books with a view to seeing whether they are keeping them properly, and so on, or to assist any branch which has any difficulty in keeping the books. We do not propose, unless it turns out to be necessary, to have an independent audit of the whole of the branches.

1569. You do not make a regular and periodical audit from the centre?—We have not found it necessary to do so yet.

1570. Are the accounts audited locally in each branch?—At the present time the Government auditors have got all our books and papers, and we imagine that they will report to the Commissioners, who will report to us. We are waiting to see whether that is sufficient for us. If we find we do not get enough information, we shall have to institute an audit. Our branches have their own arrangements. Some have chartered accountants, and some do it themselves.

1571. (*Mr. Thompson.*) I should like to know whether in your opinion societies are compelled, under

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the National Insurance scheme, to take a different and more liberal view of sickness disability than prevailed previously under the old friendly societies?—In my opinion, no.

1572. Turn for a moment to the form of application for admission to membership. Are you acquainted with other forms of this kind which contain no question regarding health?—I have seen yours. I do not remember whether it has any question regarding health or not. I have seen lots of other forms. I cannot remember what the questions are.

1573. I am not a witness at the present moment. I think you may take it for granted there are many questions regarding health. Are you aware of any form issued by any other society which contains no question relating to health?—I cannot say. I may have. I do not remember having seen one.

1574. I do not want to press it unduly. You say that Question 6, in the application for membership form of your society: "Have you been vaccinated?" has been eliminated?—No. The question is left in, but we do not reject a member on the ground that he has not been vaccinated.

1575. Is it not an inconsistency that you should inquire whether a man has been vaccinated, and do not inquire regarding his health?—I do not think it is in our particular case. The classes we are dealing with are very healthy classes as a general rule. We thought by having the vaccination question we should guard ourselves against the only thing likely to cause devastation among them. That was the idea at the time. We found that it was unpopular with various branches and we did not insist upon it.

1576. May I ask you—you need not answer unless you like—whether it was the desire of the majority of the societies forming your federation that there should be no question as to health?—We drew up this form in committee, and, to the best of my recollection, the question was not raised. We decided that there should not be any medical examination. That was formally discussed, and there was a resolution on the subject. To the best of my recollection when we drew up that form, we decided to leave it to the local committees that were running each particular branch, to ask for medical examination if they thought it was necessary. I have only heard of one case in which it was done.

1577. Should I be right if I thought you were influenced to some extent by the desire not to exclude any members of your old societies?—No, because we had a rule covering them. We took in all the members of the old societies, no matter what their occupations were. Our object was simply to save time as much as we could. You see we had no money at all.

1578. You gave the secretaries some instructions regarding the admission of people. I think you said you told them not to be unduly critical?—We did not send them round any printed instructions, but when addressing meetings we said "We are running this 'federation for the benefit of agricultural labourers' and rural workers in Lancashire, and we do not want 'to exclude any individual unless he would really be a 'burden on the funds, and unless you know he is likely 'to be a burden on the funds.'" That was the general line we adopted.

1579. You were a little severe on the agents of collecting societies?—I have had rather an intricate experience.

1580. Have you any figures that would show whether they were careless or otherwise in their admission of members, or recommendation of members?—I have heard a good many societies' secretaries say, "So-and-so will do for the Prudential."

1581. Would you expect to find that reflected in the sickness expenses and the claim ratio?—I certainly should.

1582. If it were not, you would come to the conclusion that it was something like your reference to red tape?—No. There would be other causes.

1583. You say you would expect it to affect the claim ratio?—Yes.

1584. And if it did not?—That would certainly account for part of it. I think more causes than one go to affect claim ratio.

1585. Inasmuch as this would be supposed to affect claim ratio, and if it did not, it would be reduced again?—I do not think you can draw any practical deduction from it. You might have exercised very great care in selecting members, and yet have a very high ratio of sickness due to some other cause. I do not think you can say, because you admitted members carelessly, and then had a very high sickness ratio, that it was solely due to the fact that you admitted members carelessly.

1586. You think you might admit members carelessly and yet have a low claim ratio?—You might if you admitted members carelessly.

1587. Then one reason for the low ratio would be that members do not claim when they should?—It might be.

1588. (Dr. Fulton.) With regard to this district in which the doctors refused prescriptions unless they went off the fund, it was prescriptions and not treatment?—A "bottle" was the expression used.

1589. That had the effect of keeping people off the fund?—This particular case did not go on. I do not know about other cases.

1590. You promised to inquire into that case?—Yes.

1591. I presume that you will get the doctor's story as well as that of the insured person?—I will endeavour to do so.

1592. Possibly it was to the advantage of your society and not to its disadvantage?—Very possibly, yes. I did not allege that it was a cause of excessive sickness.

1593. Although you do seem to complain that doctors are too lax, both with reference to giving continuing certificates and giving "going-off" certificates?—That is the general impression. It is, I admit, very difficult to justify it by evidence. Our secretaries say that the doctors are much easier than they were before the Act came into operation.

1594. Could you give us the sickness experience of any old friendly societies existing at the time?—I may say that our sickness experience with the old societies was very low. I do not allege that any laxity on the part of the doctors has in our case increased the sickness. Some of our societies say that it has gone up about 30 per cent. since the Act came into force, others think it less, and others think it about the same so that I do not think there is really anything to draw from that. The time indeed has been too short to judge. It is only an impression. Our secretaries seem to think that it is easier for a man to get a certificate now than it was before.

1595. Although he goes to the same doctor?—That is only one particular branch or several branches.

1596. Could you get us a comparative experience of those members who are now insured, with their previous record with the old friendly society?—I could get you the record of the societies, but in many cases they would not be the same members. We have got now a very much extended membership. A society, which had 40 or 50 members before the Act, will now have 100 or 120.

1597. What I should like to get is the comparative behaviour of the old members before the Act came into force, and of the members since the Act came into force. You say that the doctors are more lax, and that would show itself in a distinct increase in the sickness rate?—It would in a year or two; but would it in six months?

1598. You say that the medical arrangements for the uninsured members are unsatisfactory?—We had great difficulty in getting any doctor for our old members at all in many cases, and then we only got them at what we considered a high rate.

1599. It is not satisfactory from a rate point of view?—It is not satisfactory from a rate point of view. Members who paid 4s. for many years had to pay 8s. 6d. to the same doctor, and that from our point of view is not satisfactory.

1600. Is there any other way in which it is not satisfactory?—Except that we have had very great difficulty in getting any medical benefit at all for these old members. As a matter of fact, a number of our

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members have not got a doctor at all now, and they have to pay for medical benefit out of their own pocket. The only doctor on the panel in one district where we have a good many members resigned at the end of the first three months, and now there is no one there.

1601. Have you had any difficulties about diseases among your women?—We have not had any yet.

1602. (*Dr. Pearce.*) What do you mean by the statement in your evidence, "We think that a final certificate should be insisted upon, and that doctors should not sign them as a matter of course"? What do you mean exactly by that?—I have heard of a number of cases in which, when a man is going back to work, he sends his little boy down to the doctor and the doctor signs.

1603. Do you infer from that that the doctor has not seen him for the last two or three days?—He might. I think that he ought to see a man before he signs the certificate.

1604. As far as that is concerned, it would mean in practice that doctors in that respect prevent excessive claims rather than increase them?—I am afraid that I do not quite follow you.

1605. It means that a person is a less time on the sick list than he otherwise would be?—Yes, we think that cases do occur of people going back to work too soon.

1606. What is the practice of your society in granting sickness benefit if it is claimed? Is it incapability of following his own occupation or incapability of doing any work at all?—I do not think that it is quite either. I think that it is that a man is not capable of following his own occupation without doing himself an injury. That is the sort of view that we should take.

1607. (*Dr. Lauriston Shaw.*) You made rather a point of the fact that some doctors have given continuing certificates without having seen the patient?—That is so.

1608. Does it not occur to you that it might be clear to the doctor from his knowledge of the patient at the moment, that it would be impossible for the man to go on with his work without doing himself an injury for at least two months?—That I could not say, but I should think that it is possible for a doctor to say so for a considerable time.

1609. It is not necessarily laxity on the part of the doctor?—Not necessarily.

1610. It might be quite clear to him that he should not go to work. You think that the great thing is to prevent these people going to work when they are not fit, because they would be doing themselves some injury. You are of the opinion that some patients do go back to work too soon?—That is so.

1611. You have not yet had sufficient experience to say how far it might lead to invalidity claims, but you rather fear it. Is there any choice of doctors in your district?—There is in my immediate district, but in many places there is no choice at all.

1612. There is no choice at all for most of these people?—I would not say for most of them, but for a considerable number.

1613. They must go to the only doctor resident in the neighbourhood?—I should think that that is very likely.

1614. If they are rural areas that is the condition of many parts of England?—Yes. I know in one district there was only one, and he has gone off the panel.

1615. I am wondering what you think that a doctor should do, who found himself genuinely uncertain whether or not it would be detrimental to the health of a patient to go to work?—Well, I do not think that I can possibly answer that question.

1616. You think, at any rate, that he would not be doing any very great harm if he suggested that the patient should not go to work?—Certainly not.

1617. You took such a strong line that it would be unfortunate to have anything like a medical referee, but in the case of a doctor finding himself uncertain, would it not be satisfactory to both you and the insured person that there should be somebody to whom he could apply to help him to settle the point?—I should think that he could apply to somebody without having an official medical referee.

1618. Who would pay the fee of this second opinion? Would the doctor have to pay it out of his own pocket, or would the insured person have to pay?—If it is a case of the fee my point falls, but I should think that the doctors might accommodate one another occasionally. I have heard of it being done.

1619. I only wanted to point out to you the possibility of some of the advantages in having available opinion not only to decide whether the applicant is claiming sickness benefit unduly, but also whether he ought to continue to claim it when he is not doing so?—That is not our point. With regard to the medical referee, we think that it would be a very expensive way of doing it, because the number of cases so far as we are concerned would be very small.

1620. Quite so, because yours is such a scattered area?—Not only that. I do not imagine that there are very many cases of the sort that you have mentioned where a doctor would refer to a medical referee, and in those cases we should prefer that he should inform the society that he is unable to decide, and let the society pay the fee and get it done. If we had medical referees it would be spending a great deal of money, so far as we are concerned, to deal with a very few cases.

1621. Have you had occasion in your district to report any medical man to the insurance committee?—I have, but not in connection with my own society.

1622. You did not think of reporting the man who refused the prescription unless the patient would go on the fund?—I have written and asked about it.

1623. (*Miss Ivens.*) You have about one thousand women members?—Yes.

1624. Have they come in since the Act came into operation, or were they members of the smaller societies before?—I think that practically they have all come in since the Act came into operation. I think there was only one society that took in women, and they had ceased to do so, but they had a few old members left. Practically all the societies dealt with wives and widows, but they were not members themselves.

1625. Some of your branches seem to think that women are less particular than men; that is to say, that they keep on the fund rather longer than they need do?—They went on sickness benefit when they wanted to do spring cleaning, and things of that sort. I know that that is a common allegation, and, as a matter of fact, our one society that took in women members before the Act came into operation gave up taking them on that account. They said that they could not keep them from working, when they were on the fund.

1626. They really thought that it was a case of deliberate fraud rather than that they did not understand the principle of insurance, having so recently come in?—That was before the Act came into operation.

1627. (*Miss Macarthur.*) Can you give us any separate statistics for the women?—I can get them for you, but it will be rather difficult, and will take some little time, because, as I have explained more than once this afternoon, our books are all at the auditors.

1628. Can you tell us whether it is your impression that the sickness claims of the women are greater in proportion to those of the men?—I do not think so. I did have the figures got out for one of our branches which has a good many women, and during the third quarter they were more than double those of the men, but during the fourth quarter they were just about the same.

1629. There is a larger actuarial allowance for men than there is for women?—I am taking the actual amounts.

1630. It would be rather serious when one quarter they were more than double?—I mean per head, not the actual sum total which they drew out. I mean that their average per head was about double that of the men, and the next quarter it was about the same. That was only for one branch and for about forty women, so that it is really no guide. Except in one or two branches, there are few women in any one branch. Seventy-six is the largest number in any one branch.

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1631. Have you any idea what proportion of the women are married?—I could not tell you.

1632. Have you any idea?—I should say that the greater proportion are unmarried. Those we have are mostly living on farms.

1633. I think that you said that you had had no claims for pregnancy?—No claims during pregnancy, but lots of claims for maternity benefit.

1634. No claims for sickness benefit during pregnancy?—No cases in which any question has arisen. I imagine that there must have been some cases, but I do not know. We have had no case where any question has been raised. If sickness benefit has been claimed it has been satisfactory to the branch, and it has been paid without the matter being referred to the head office.

1635. You are aware that there is a difference of opinion as to whether sickness benefit is payable for incapacity due to pregnancy, except in complicated cases?—Yes.

1636. But no such cases have ever been referred to you?—No.

1637. Have you had sickness claims after confinement?—I could not say that we have not, but I do not think that we have.

1638. That would rather seem to point to the fact that you have no married women members who have had maternity benefit?—Oh, yes, we have married members who have had maternity benefit.

1639. I do not quite understand why they have not claimed sickness benefit?—I misunderstood. I said that if they have claimed sickness benefit, it has been paid by the branch committees. They have been satisfied that it was properly claimed.

1640. That was with reference to pregnancy. I am now referring to the four weeks following confinement?—I really do not know.

1641. You cannot give us any opinion?—I cannot.

1642. Have you had occasion to suspend any members from benefit?—No.

1643. Have you had any occasion to fine any of your members?—There is a question that we may have to fine one member. That is being considered now, but we have not had any occasion so far.

1644. There has not in your society arisen any question of misconduct?—No.

1645. Can you give us any idea as to the age of your women members. Are they mainly young?—I think that they are mainly young, but, of course, there will be a few old ones. I could not tell you exactly.

1646. You have not expelled any of your members?—No.

1647. I think that you said that you had some dress-makers in your society?—Yes.

1648. Does that mean that they were members prior to the Act coming into operation?—No; only since.

1649. It is not in the schedule of the classes of members to be admitted to your society?—No, they came in mostly under the rule which provides for the relations of members of old societies, but we have not many.

1650. (Mr. Watson.) You will agree that it is extremely important that societies should be kept in a sound financial position?—Yes.

1651. It would be a deplorable thing that any sickness benefit should have to be reduced below the amount provided in the Act?—Yes.

1652. Such being the case, do you not think it would be extremely dangerous if people who have not expressed the desire to go on the sickness fund were encouraged—I will not put it higher than that—by the doctor to make a claim for sickness benefit?—I think that it would very much depend upon the circumstances. I can quite well conceive circumstances in which it would be a mistake, if they were not encouraged to go on.

1653. You say here in your abstract of evidence that societies have been put to expense in the past owing to members going back to work before they are fit to do so?—Yes.

1654. Can you point to any actual case?—No.

1655. Is it anything more than an impression?—These notes were drawn up after a general discussion of the whole question. There were about 16 representatives present from different parts of the county, and they agreed with these general impressions. Somebody made that remark that a good many had gone back too soon, and the others agreed that there had been a tendency in that direction. I am pretty sure, from my own personal experience, that men do go back before they are fit to do so.

1656. Why is that?—Because they get so sick of being shut up in a house.

1657. Is it not part of the administrative efficiency of a good society that the conditions of sickness benefit are purposely made irksome with the object of inducing men to go back to work, as the only way of keeping the society in a sound financial position?—I do not quite know what I am to answer.

1658. I do not know how far your experience goes, but I think that most people of long experience of friendly society administration would say that the liberty of members in receipt of sickness benefit must be restricted, if the society is not to be entirely swamped with claims?—It is certainly true that it is necessary that members should be tied as to hours, and so on. I quite agree that that is very necessary.

1659. Do you think that the conditions of being tied to home, and so forth, have been so seriously irksome to men that they have gone back to work before they were fit to do so?—I certainly think so. I do not think that it accounts for anything very much, but I have known cases where a doctor would have said that they were fit, but where I should have said they were not and that they would have done much better to have had three or four days more.

1660. (Dr. Smith Whitaker.) I want to be quite clear on a point put to you by Dr. Lauriston Shaw, with regard to continuing certificates. We will assume for the purposes of argument that it is possible for a doctor to foretell in some cases that the patient will, in all human probability, be incapable of work for one month, two months, or even longer?—Yes.

1661. Looking at it from the point of view of the society, would you think it advisable that a doctor in such a case should give a succession of certificates, or would it be better that he should either give certificates weekly, or communicate with the secretary of the society explaining the special circumstances of the case?—I do not think that it is very much matters which he does, so long as he does either one or the other. If he has made up his mind that the man is going to be ill for a considerable time, and that he will have to send continuing certificates for some time, then if he is going to sign them in that way without seeing the patient he ought to communicate with the society.

1662. He ought to let the society know of that fact?—Yes.

1663. He ought not to give certificates for a long period without a special explanation to the society?—I think that it would be much more satisfactory, and the doctors would be much less misunderstood if they were to write and say, "This man is likely to be ill for some time, and, therefore, I shall not give him certificates with the same regularity, as I should in an ordinary case."

1664. That is an instance of the kind of case where it might occur to you that it would be desirable that the doctors and the societies should be brought into much more direct communication than they are at present?—I should be very much in favour of their being brought into very much closer relations.

1665. You think that if much closer relations could be contemplated even under existing conditions, it would be desirable?—I do.

1666. Do you find any such tendency growing up now?—I do not think that there is very much at present because in many places both sides are feeling sore after the difficulties of the past year or two. But in one or two cases we have had a very friendly sort of discussion with the doctors. In one place, in North Lancashire, where there were only two doctors serving a very big area, we promoted a meeting between the doctors and representatives of all the friendly societies

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[Continued.]

in the neighbourhood, and had a very satisfactory discussion on very friendly terms.

1667. Apart from the existence of any irritation, you see nothing in the Act to preclude the possibility of friendly relations?—No, but I should say that in the case of a great many societies it would be rather difficult to get into touch with the doctors. That does not apply to our case.

1668. With reference to the complaint of some secretaries that they cannot now get on as well with the doctors, those would be the same doctors with whom they had had to do before? Or is it the case that they are dealing with different doctors?—In some cases it would be the same doctor, and in some it would be a different doctor. I do not think that there would be any general rule. It would be the same doctor in respect of a considerable number of members, but in respect of others it would be a different doctor. Of course, in our district several old society doctors have gone on the panel.

1669. Perhaps in getting the particulars of that case where there was a refusal to treat and to give a prescription unless the patient went off work, you would get to know for us whether there was only one doctor concerned, or whether there was more than one doctor concerned?—I think that there were two doctors concerned.

1670. Do you think that they were in partnership, or that they practised individually?—I am afraid that I could not tell you.

1671. You cannot tell, but you will let us know?—I will do my best to do so.*

1672. We should like all the facts that you could give us in that case. Was it present to your mind when answering some of Mr. Watson's questions that it might be to the interest of the society that an

* The witness subsequently wrote with regard to this question: "I find that none of the alleged instances referred to members of this Federation, but were mentioned to our local secretaries by officials of other societies in the course of conversation. Our secretaries having no personal knowledge of the circumstances, and being rather vague as to what exactly was said, I have let the matter drop."

insured person should not go back to work too soon, because if he went back too soon he might make himself more liable to require longer sickness benefit later on?—I was not thinking so much of that point as that he was likely to continue his present sickness, but that would certainly have weighed with me if I had thought of it. I am looking at it, not from the point of view of the individual member, but from the point of view of the society, and I think that it is desirable.

1673. What would be the effect upon the state of health of the insured person of going back to work when he is not in a fit state of health?—Obviously it is injurious to the individual, but it is also a mistake from the point of view of the society to allow him to do so if he can be prevented.

1674. (Chairman.) Just one general question before you go. You have given us on the whole the report of a society in a very healthy condition?—Yes.

1675. And with a very low sickness ratio compared with what you expected?—Compared with what you expected, or with what Mr. Watson expected. We did not expect it.

1676. And, so far as you think that anything in an imperfect world can be made more perfect, you think that the Commissioners might act a little differently, and the doctors?—Yes.

1677. That is really all that it comes to?—Yes, especially the Commissioners.

1678. You have got some of the Commissioners here before a very sympathetic audience?—Some are rather near me.

1679. That is really all that it comes to?—I think so.

1680. You have not got any very serious complaint to make?—Oh, no, we have not.

1681. There is nothing apart from what, perhaps, is the natural and unfortunate result of the general partnership between private enterprise and the State?—That is making me say rather more than I should. I have a very deep-seated grievance in the fact of the upsetting of all the old societies and the societies' officials by the regulations.

The witness withdrew.

THIRD DAY.

Wednesday, 22nd October 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT:

SIR CLAUD SCHUSTER (Chairman).

Mr. WALTER DAVIES.
Dr. ADAM FULTON.
Miss M. H. FRANCES IVENS.
Miss MARY MACARTHUR.
Mr. WILLIAM MOSSES.
Dr. JAMES PEARSE.

Dr. LAURISTON SHAW.
Mr. A. C. THOMPSON.
Mr. A. H. WARREN.
Mr. A. W. WATSON.
Miss MONA WILSON.
Mr. WALTER P. WRIGHT.

Mr. ALEXANDER GRAY (Secretary).

Mr. C. FURNESS PETERS, F.I.A. (Actuary of the Liverpool Victoria Approved Society), examined.

1682. (Chairman.) You are the actuary of the Liverpool Victoria Approved Society?—Yes, manager and actuary.

1683. What position do you occupy in the approved society?—That is in the approved society.

1684. What position do you occupy in the parent society?—I am, unofficially, the assistant actuary.

1685. The parent society is a friendly society subject to the provisions of the Collecting Societies Act?—Yes.

1686. How many members has it at present?—The parent society has about 3,000,000 members.

1687. It has promoted a separate section which has become approved under the National Insurance Act, 1911?—Yes.

1688. How many members are there in the approved society?—About 350,000.

1689. How many of these are men?—58 per cent. are men, and 42 per cent. are women.

1690. Speaking generally, what is your experience with regard to the actual claims that have been made, as compared with the claims which you had anticipated before the benefits came into operation?—The expected cost has been worked out on the basis advised

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[Continued.]

by the Commission, that is, 3d. per week per man, and 2d. per week per woman. I will read you the figures: Men, expected cost 80,606l., actual cost 62,262l., difference 18,344l., representing a ratio of actual to expected cost of 77½ per cent. In the case of women, the expected cost was 39,202l., the actual cost was 49,755l., and the difference on the wrong side was 10,553l., a ratio of actual to expected cost of almost 127 per cent.

1691. Putting out of your head the comparison between what you expected and what you actually found, and looking merely at the state of affairs which you actually did find, is it your view that unjustifiable claims are being made?—Certainly.

1692. In the case both of men and of women?—Yes.

1693. What leads you to think that in the case of women?—The nature of the complaints certified by the medical men.

1694. The things you actually find written on the certificates?—Yes.

1695. Just amplify that, because it is a little bit difficult to follow?—I have some instances—of course instances do not prove general cases, but they indicate a certain class of case—in which we have had certificates by the doctors stating that members were rendered incapable of work by a wart on the nose.

1696. That is merely an amusing instance?—I take it seriously. I do not see that that is any reason for giving a certificate of incapacity.

1697. I do not think that anyone would suggest that it is a reason?—Lassitude is another cause, and lack of energy is another.

1698. If you find a certificate of lassitude or wart on the nose, everybody would agree in thinking that that was not a proper certificate, nor a certificate that ought to be paid upon. But unless you have a great mass of that kind of case, it does not assist us very much in finding out whether it is general?—For that reason I think my impression would be on the wrong side in indicating that there were a lot of bad claims, because I see the worst of them. And as I did not think it fair that my own impression should be brought before the Committee, I therefore sent out a series of questions to all our sick visitors—the ablest of them—10 women and 14 men. Among the questions I asked them was to state the most common reasons for considering that sick pay should cease, or that the claim was unsatisfactory. In the case of the men it was found that in many of the cases which they visited, the men were certainly capable of work, and such men who stayed away were guilty of staying on the funds while looking for work or during unemployment in many cases, and in many other cases they were just waiting for the end of the week before they resumed.

1699. What means do you take to test the question whether a man is, or is not, incapacitated from work, and therefore entitled to be retained on the fund? You employ sickness visitors?—Yes, in the larger areas.

1700. How many do you employ altogether?—About 31.

1701. About 24 of them are whole-time officers?—Yes.

1702. And the other are part-time officers?—Yes.

1703. Are they scattered all over the country?—They are in the industrial centres only.

1704. Have you any particular district which you work more particularly? Are you more powerful in Liverpool?—No; membership follows the population.

1705. All over the country?—Yes.

1706. All over the four countries?—Yes, but perhaps not in Ireland so much. It does certainly in England.

1707. Where are your sickness visitors stationed?—In the Midlands, in Lancashire, in the industrial centres of Yorkshire, and in the northern parts of England, and in London. As regards the visits which are paid, our visitors visit about 650 cases a week. Then we have odd tests, scattered tests, non-regular visits, numbering 200 a week, so that there is a total of 850 visits a week.

1708. How many people would there be on the funds in one week?—About 9,500. Many of them are

not on the funds more than two weeks, and we cannot send a sickness visitor at once. We authorise payment of the claims, and then subsequently we investigate whether, in our opinion, the claim is a malingering one or not.

1709. When a claim is made, what actually happens?—We authorise payment from the chief office.

1710. Look at it from the insured person's point of view. He thinks he is incapable of work. What does he do?—He sends in a claim with a medical certificate and his insurance book. He sends them to the registered office in London.

1711. He sends them straight up to the office of the society?—Yes. We send out to every member of the society a form of application for a claim when the benefits begin to run. If they have not a form for a claim, they go to the nearest agent and he provides them with one, and I daresay he helps them to fill it in. At all events, they are sent direct to the registered office.

1712. By post?—By post.

1713. What happens then?—It is examined in the registered office.

1714. For what purpose?—In the first place to see whether the requisite number of payments have been made, and if there are any suspicious circumstances relating to compensation or any other incident in connection with the claim.

1715. Is it examined by clerks?—Yes, clerks who are doing nothing else all day long.

1716. Finally it passes under the judgment of somebody who exercises a discretion?—If there is anything suspicious in the case, it does.

1717. What are the circumstances which would cause a clerk to say that it is suspicious?—If it were indicated that it was an injury that was the cause of the illness, then it would be referred back for inquiry as to whether compensation was due.

1718. To whom would it be referred?—A series of questions would be sent to the insured person.

1719. Again to the insured person direct by post?—Yes, but not direct; through the agent.

1720. Any claim marked "suspicious" would be sent to the agent?—Yes.

1721. What does he do?—He has a form of enquiry on which to obtain answers from the member. He takes it to him personally.*

1722. He gets that form filled up?—Yes, and he forwards it to the head office again.

1723. Would you like to give that form in?—Yes. (Form handed in.)

1724. The form acknowledges receipt of the application for sickness benefit, but states that the question of compensation under the Workman's Compensation Act has arisen, and therefore requests the member to return the letter with answers to the questions given below. The questions are: "Did the injuries take place during the course of your employment? If not, give full particulars. Are you receiving compensation from your employer or anyone else? If not, do you intend to take action to recover compensation? If receiving compensation, what is the weekly amount? Have you compromised by an agreement to receive a lump sum? If so, state the amount." That is solely from the point of view of compensation?—Yes.

1725. What other causes would lead you to regard a case as suspicious?—Every case of this kind would be enquired into.

1726. I want to find out what actually happens when your people up in London come to the conclusion that a claim ought to be questioned. Suppose something arouses their attention, suppose he finds "lassitude" written on the certificate, what does the clerk do?—He asks the agent to enquire into the circumstances of the case.

1727. What does the agent do?—He reports to us.

1728. Does he go and enquire personally?—As a rule, he does, or the sickness visitor goes, as the case may be.

* The practice is to send this form direct to the member. The statements to the contrary were found in error.—C. F. P.

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[Continued.]

1729. Who puts the sickness visitor in operation?—The head office.

1730. On the report of the agent?—Not in the first instance, in many cases there is a sickness visitor. Where there is no such supervision, the agent is instructed to go and enquire into the case personally.

1731. The society instructs the sickness visitor. It says: "There is something wrong about this case," or, "It looks as if there were something wrong, and you ought to go and see about it?"—Yes, the sickness visitor goes and sees, and reports accordingly.

1732. What are the sickness visitors by way of training? What were they before they became sickness visitors?—In the case of the women many of them were nurses.

1733. You have appointed them, of course, since the Insurance Act came into operation?—Yes.

1734. Were you in touch with these particular people before?—We had no experience of sickness work before.

1735. You knew nothing about these particular people before?—In many cases they were taken on the recommendation of third parties. But the circumstances varied. There was no particular rule as to their appointment.

1736. Did you give them any written instructions as to how they were to carry out their work?—We sent them a form of sickness visiting report—a series of questions which they are required to answer.

1737. Did you give them any written instructions as to how they were to carry on generally the business of sickness visiting?—No, except in the case of the London visitors; we had them at the head office and talked to them.

1738. What did you tell them to do?—We told them to protect the society's interests in the case of claims in general.

1739. The sickness visitor goes and sees a man or a woman. Does the sickness visitor take any action on his or her own responsibility, or simply reports to you?—He reports to us.

1740. Have you got a form of report?—Yes (*form of report handed in*).

1741. You ask these questions:—"Is the member obeying the doctor's instructions, or is he guilty of any conduct likely to retard recovery?" That is directed towards seeing whether the member is obeying the rules of the society. "Has the member been away from home between certain hours?" That has regard to the rules?—Yes.

1742. "Was the member away from home at the time of the visit? If so, state the reason. Is the member totally incapacitated from work, or from following any occupation? How did the illness arise? Is the illness the result of the member's own misconduct?" and so on. Some of the questions seem to be things that a sickness visitor might not be able to answer. If I were asked: "Is the illness the result of misconduct?" I might have some difficulty in answering it. What do they write down? What do you think they do?—They report absence from home frequently.

1743. That is simple enough. But when you come to the later question: "Is the member totally incapacitated from work?" That is the question?—Yes, that is the question which has caused most of the suspensions from benefits.

1744. What answer do you get which causes you to suspend a member?—Generally they say that a member is capable of work.

1745. That is stated to the head office?—Yes.

1746. What is the next thing that happens?—We suspend benefit.

1747. Surely you do not suspend benefit on the statement that the member appears to be capable of work?—We write to the member informing him or her of the statement by the sickness visitor, and stating that we intend to suspend payment of the benefit.

1748. You do not go to your doctor to investigate the matter further?—Not in the first instance. If the member protests, we take advantage of our rule which empowers us to employ our own medical officer, and we send him along.

1749. When you get that sort of answer you then and there give notice to your member that you intend to suspend him from payment of the benefit?—Yes.

1750. If a member says nothing, or makes only a general protest, you simply suspend him, and it ends there?—If, in spite of the member's reply, we consider the sickness visitor right, we persist in our suspension.

1751. Suppose the case appears to be doubtful, suppose the member protests very vigorously, what happens then?—If there is any doubt about it, we write to the manager of the district asking him to look into the circumstances of the case and we act upon his report.

1752. Suppose a man goes on protesting, what happens?—We ask for a medical examination by one of our own medical referees.

1753. Who are these officers?—Medical officers, the doctors who examine cases for us for entry into our friendly society.

1754. How many of them are there?—About 1,300.

1755. They are paid, I suppose, by the parent society by fees in each case?—Yes.

1756. But they are a sort of permanent appointment?—Yes, more or less permanent. Some of them have very few cases, some of them have many.

1757. You write down to one of them, and tell him to go and examine the case?—Yes.

1758. Who pays the fee?—We pay the fee.

1759. What is the fee?—Generally about 5s.

1760. And there are different arrangements in different parts of the country?—Yes, we make the best terms we can with the medical officers in the districts concerned.

1761. Is the instruction to them to go and visit the member, or to the member to go and visit them?—The instruction is to them to go and visit the member.

1762. I suppose they write to the member?—They arrange for time and place with the member. If the member wishes to go to the doctor he can do so, but we give the referee instructions to arrange for the examination.

1763. Have you found members objecting to that second examination?—Not a great many. We have had 276 examined in that way.

1764. You have had 276 whom you told to be examined in that way?—Yes, and all were not examined. 32½ per cent. declared off at once, 45 per cent. more were found by the referee to be ineligible for benefit, and the remaining 22½ per cent. received benefit as before.

1765. That is a quarter of the whole?—Yes.

1766. Does the medical referee, when dealing with the case, communicate in any way with the medical man who has given the certificate which has supported the claim in the first instance?—Not in general.

1767. He has not any instructions to do so?—He has not.

1768. When he does it, he does it on his own initiative?—Yes. If we receive a protest from the panel doctor, we arrange for him to be present if he wishes.

1769. Do you pay him a fee?—No; we tell the medical referee that the panel doctor should have an opportunity of being present at the examination if he so desires.

1770. What percentage of all the claims you have had have either been rejected at the first start, or thrown out afterwards upon the visit?—I am afraid I have no information on that. But the percentage is not very large. In the first instance, there are many of the cases which we cannot test because they expire before we can put the arrangements for testing into operation; that is to say, they are not of two weeks' duration.

1771. A claim requires to be of at least two weeks' duration for this rather elaborate process of sickness visiting to come into operation?—Yes. We authorise payment in the first instance in the head office of the society. We subsequently review the claim, and if for any reason in connection with the illness, or anything on the certificate, we get suspicious of the claim, then we institute investigations. But by that time two weeks have elapsed.

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[Continued.]

1772. Do you always pay on every claim?—Practically, yes.

1773. There are some you stop in the first instance?—Not very many. We do not feel that we can stop any certificate if they are accompanied by a medical certificate.

1774. Come to a more general matter. Of course you are not in very close touch in your head office with the members?—No.

1775. On the other hand, you get reports from your agents and superintendents?—Yes, they are in touch with the members.

1776. Do you find that these people generally understand what position they are in as insured people? Do they regard it as insurance, or do they regard it as an opportunity for drawing money?—I think they regard it as an opportunity for drawing money.

1777. Why do you say that?—For the reasons given by the sickness visitors in reply to the inquiries which we made.

1778. You say that after looking through the bundle of reports which you received?—Yes, we went through every one of them and analysed them.

1779. You are stating your general impression?—Yes.

1780. Have you found, either from the reports of the sickness visitors or otherwise, that there is any over-insurance among the people who are insured with your society?—No, we are not in a position to find that out, because we have no private side.

1781. You do not know what they are doing on the other side of other societies?—No.

1781a. You have talked about various cases of attempts to get on the fund, which do not look like deliberate fraud. Have you come across any cases of deliberate fraud?—Yes, distinctly.

1782. Are they in any large proportion?—No.

1783. How many would you say?—We only reported, I think, about a dozen cases.

1784. What do you mean by "reported"?—Reported to the Commission.

1785. Did you prosecute in any of these cases?—No; we communicated with the Commission. At the present time we differ with the Commission as to who should prosecute.

1786. It is a question of opinion?—I think so. Section 69 of the Act allows a prosecution. Section 71 says that money received, improperly paid, is a debt to the Crown.

1787. One is a question of recovery of money; the other is a question of prosecuting somebody who is defrauding you?—Yes; that is not our policy.

1788. I take it that you have had considerable experience in the past as to the medical profession on your private side?—I do not know that we have had considerable experience. Our examinations are only for the larger sums in the parent society.

1789. You employ 1,300 medical officers?—Yes.

1790. You do not have a medical examination for your ordinary industrial policy?—No; not under 25l. or 30l. insurance.

1791. Have you any observation to make, generally, about the attitude of the profession towards the Act, and how far it acts in assisting or hampering your work?—There, again, I do not trust my own impression, because it is very adverse to the action of the doctors. I asked the sickness visitors, in cases where members are capable of work, to state their opinions of the reasons of the doctors for certifying them to be incapable of work; and out of 24 to whom I referred, only one stated that there was no fault to be found with the doctors. Five of them said that there was antagonism to the Act, and that that was the reason we get these faulty certificates. I think that that is decreasing considerably. Eighteen blamed the doctors. Fifteen said that it was due to lack of interest, carelessness, and overwork. For instance, one of them says that the doctor frequently tells members that they need a long rest when they are capable of work; and the easy way in which the certificate is obtained is, in the opinion of the fifteen, due to the desire of the doctors to be popular.

1792. To avoid injury to their practice, or owing to absence of inquiry?—This is from one of our visitors—a woman visitor of whom we think very well. She has visited over 800 cases. She says that in only two instances has she known the doctors refuse to give continuing certificates when the people were capable of work out of the cases she has known, and in which she reported the people to be capable of work.

1793. I want to give you an opportunity of making any observations you wish upon it. What strikes one upon that is, that perhaps the doctor might say: "I do not agree with the sickness visitor. I take a different view. I am a medical man, and more competent to judge"?—Yes. I think myself that a lot of it is due to carelessness. For instance, I saw on a certificate that the claimant was suffering from "84, Elliott Street." The doctor put in the address under the heading for the disease. There are many instances of that.

1794. You think that there is a general tendency among the sickness visitors to think that doctors are sometimes careless?—That is the common opinion.

1795. Is it your private opinion that the antagonism has diminished?—Very much. I think it is diminishing every week.

1796. That is your general impression?—Yes.

1797. Have you any kind of evidence from the certificates that come before you as to any general view taken by the profession with regard to the distinction between different types of illness, illnesses which do, and illnesses which do not, incapacitate from work?—I think that that is the most common fault. I think the doctors do not understand yet that a man or woman must be incapable of work. Our sickness visitors' reports confirm this, that if they see a man not capable of his usual work, they continue to give certificates.

1798. Have you had difficulty, or have you difficulty now, in getting the specific nature of the disease stated on the certificates?—No, there has been very little difficulty in general all through.

1799. You have just cited this case of the man who wrote the address where he should have written the nature of the illness, but generally speaking you find the certificates fairly reasonably worded?—Yes, there is a tendency in some cases to give elaborate descriptions of common diseases. For instance, "Epistaxis" is put down for "bleeding of the nose," and so on, and sometimes our clerks do not know these names and pass cases which they would not pass if they did know. I cannot understand the reason of it.

1800. All professions like to give an air of mystery to their operations?—Yes, it encourages patients who desire to stay out to describe their disorder in such elaborate terms.

1801. You have had experience all over the country, from Manchester, for example, as well as from the rest of the country. Have you found that there is any difference between the attitude of the profession in giving certificates in the places where the payment is by attendance and in places where it is by capitation?—I must say that we have not thought of that matter at all.

1802. You have not found any difference between places where the doctors are paid by attendance and places where they are paid by capitation?—Certainly not.

1803. When you started working under the Act, had you a medical examination before people were admitted?—No, we found that it was not practicable for financial and business reasons. We could not get the cases through fast enough. We had tens of thousands coming in every day.

1804. What did you do in examining the proposals?—We very carefully checked the answers to the questions and if we were not satisfied, we either rejected or, after investigation, accepted the cases. They were all reviewed very carefully.

1805. Who reviews them?—The staff at the head office.

1806. For the purpose of seeing whether, on the face of it, a man is in good health?—Yes.

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[Continued.]

1807. Do you go behind that and then ask for any certificate or anything like that?—No, we only consider health and questions relating to health in the proposal form.

1808. You do not go outside the proposal form at all?—No, we find that the sickness visitors do, in a measure, check the accuracy of the answers in the proposal form when they visit now.

1809. That is rather late, is it not?—Yes, but there was no other way. All the large societies had to rely on the answers given in the proposal forms.

1810. What do you do when you find that the answers given in the proposal form are, in the opinion of the sickness visitor, untrue?—We give notice of termination of membership.

1811. On what grounds?—On account of false statement, or wilful omissions in the answers in the proposal form.

1812. When you give notice to terminate membership, is it a termination of membership in general?—Yes. By rule 22 the committee of management may terminate the membership of any member who has been convicted of any crime, or any wilful or material omission in his application for membership.

1813. Then you give him 14 days notice that you so intend?—Yes.

1814. To how many have you given notice?—In 577 cases.

1815. How many appeals have you had?—We have had appeals in practically every instance against it.

1816. What happens upon appeal?—The question goes for consideration by the committee. As a result we have expelled 58½ per cent. of those to whom we have given notice.

1817. Do you happen to remember the number?—336.

1818. What did these 336 do?—They accepted our decision, except in about 20 cases, in which they insisted on arbitration.

1819. Have they to put down the cost to get arbitration?—We do not ask for it in practice.

1820. Is there a deposit provided for in the rule?—I think not.

1821. They are liable for costs if the arbitrator gives costs against them?—Yes.

1822. And, I suppose, your costs too?—Yes.*

1823. Have any of those 20 appeals been heard?—About eight or nine have been heard.

1824. With what result?—We have lost one.

1825. Have the others gone further than the arbitration?—No. We have been successful. They have not taken them any further.

1826. You say in the *précis* of evidence which you have submitted that membership was continued in 84 cases?—84 were allowed to continue.

1827. 157 are still in abeyance?—Yes.

1828. Is there anything more that you would like to say on that?—No. Only it discloses that there has been a serious laxity by the proposers in filling the proposal forms.

1829. Perhaps it is a little bit on the edge of our inquiry, but I desire to give you an opportunity of saying what you think fit here. When people, not very well educated, come to fill in this form, what are the answers generally that cause you to say that they have wilfully and materially misled you?—The answers to question 7.

1830. "Are you sober and temperate in habits?" Do you ever get people saying that they are not? Is it not too much to expect that?—It is more serious than that.

1831. Do you ever expect to get the answer that people are not sober and temperate in habits?—No.

1832. "Are you in a good state of health?" That is a very vague question?—This is the proposal form which was authorised by the Commission.

1833. I am not complaining of the proposal form; I only want to find out what it is that you regard as a wilful and material misstatement?—If you hear from

the sickness visitor that the man was in hospital about a week before he signed the proposal.

1834. He may be in hospital with a broken leg?—No, I do not mean that.

1835. In hospital with some disease?—Yes.

1836. It is only in such extreme instances as that that notice has been given in the 577 cases?—Most decidedly; only when the evidence is absolutely certain do we take action at all.

1837. "Give particulars of any illness during the past three years"?—That is the most prolific cause of termination of membership.

1838. How do you interpret whether an illness is serious? If a person had a cold in the head?—We do not mind that.

1839. Where do you draw the line?—I review all those cases myself, and never put the case for termination of membership before the committee, unless the man has been laid up with illness during the period, or has been in hospital.

1840. What do you call an illness? Suppose he had influenza a month before?—We would not take any notice of it. The sickness visitor would not be able to say anything about it. Probably it would not be remembered.

1841. Suppose the sickness visitor calls round to an old woman and finds her recovering, and she says, "I had a bad attack of influenza in spring"?—She would report it, but we would not act on it.

1842. "Have you any relatives suffering from consumption or cancer? Have you any hereditary disease?" That is a matter of some difficulty upon which to answer questions?—We do not act upon that unless we have a second medical opinion that the member must have been suffering from the disease, and unless we are satisfied that the member knew that he or she was suffering. The misstatement must have been wilful. We do not penalise people who are ignorant of any illness from which they are actually suffering.

1843. But in reference to relatives do you find that a lot of people in this class do not know very much of what their relatives have suffered from?—If we are satisfied that they were ignorant of the thing, we do not take any notice of false answers to these questions.

1844. Is there anything that you would like to add?—I would only like to explain that estimating the expected cost of sickness involves a knowledge of the actual number of members every week. Otherwise we cannot obtain the expected cost. It is obtained by multiplying the number of members by 3d. for the men and 2d. for the women for the particular week, and there is considerable difficulty in obtaining accurately the number of members on the societies' books. Therefore the expected cost must be taken as an approximate figure only.

1845. I do not think that anyone suggests that more than approximate figures can be got because other things would enter into the calculation. For these figures to be really of conclusive value, there are numerous other factors which need to be known—age distribution, for instance?—Yes. But I do not think that that is an important matter in large societies like ours which have an average age distribution.

1846. You have not taken account of that?—No. We have had no opportunity. There is another matter. When you say excessive sickness I presume you mean illegitimate sickness. It may be, possibly is, the fact that a lot of the excess of women's sickness is only apparent.

1846a. Would you kindly amplify that?—The excess may be an excess over the real sickness less than is indicated by the figures. The real sickness may be more than the estimates provided for.

1847. I know. That is the whole point?—Whether the estimates were ample or satisfactory.

1848. You mean to say that although the experience is in excess of the estimate, it still is not necessarily in excess of what is correct?—Yes.

1849. I quite agree. What we are concerned with is what is proper?—Having regard to that, if that is the case, the approved societies are underpaid for their risks.

* As a matter of actual practice, we do not require the appellant to pay anything. There is one instance where half costs were insisted upon by the arbitrator.—C. F. P.

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[Continued.]

1850. That may possibly be so for all I know?—It is so, if that is the case.

1851. (*Mr. Davies.*) According to your estimate you have 350,000 members and a large proportion of those are women. I take it, from your answers to the Chairman, that when the applications for membership came in you took them anyhow in the first instance. If anyone filled up a form, and gave any answers on the form that they liked, you admitted them as members?—No, that is quite the opposite of the fact. A person who filled in a proposal anyhow would not get into our society.

1852. A person could put anything he liked upon the proposal and you would accept it, provided that there was not anything materially damaging in his answers?—If there was anything suspicious we would not accept it.

1853. What would you call suspicious?—If a person said that she was only in moderate health in answer to question 7 we would not accept her.

1854. Did you get any who said that?—We got very many instances in which it was indicated that the health of the person was not first-class.

1855. But you did not insist on first-class health in every case?—If there was anything indicating that the health was not first-class, we would not accept it.

1856. You have been indicating to us that there is excessive sickness with regard to the women. May it be the case that in accepting this large number of members—over 350,000—and getting an excessive sickness as compared with the rate of the friendly society sickness, you have been reaping the results of your readiness to accept a membership that was not in the best of health?—I disagree with that aspect of the matter entirely. I say that we took the utmost care in examining the proposals, as we had taken in all our past years in the parent society.

1857. I understood you to say, in reply to the Chairman, that it was only now, when the claims were coming in, that you were beginning to make inquiries as to people who had prolonged sickness, and that it was only when they were visited that you were able to make inquiries to ascertain whether they were really good lives, and that you were shedding some of these lives?—That is not the aspect of the case which I wish to convey to the Committee. What I wished to convey to the Committee was that the sickness visitors were useful in an auxiliary way in testing the accuracy of the answers given by the proposers in the first instance. It does not follow from that, that I indicated in any way that there was the slightest want of care in examining the proposals in the first instance. As a matter of fact, there was a lot of delay caused in the issue of books, and the accepting of members in the time we took to examine these proposals. We had the clerks who had been used all their lives to examining proposals, examining the proposals for the approved society.

1858. After all the care you have exercised you found it necessary to refuse some members on account of wrong statements on their proposal forms?—Yes.

1859. Could you indicate to us in any way that would help us the cause of sickness among women that leads to the deficiency shown according to the figures?—I rather put it that it is want of sickness which causes it. These reports from the sickness visitors in respect of women, to which I have referred, say that the women are capable of household work though they are receiving medical certificates. They excuse themselves by saying that they cannot afford to pay for household work, and that sort of thing, and they think they are entitled to go on drawing sickness pay when they should not.

1860. Would you allow that?—Certainly not. We do not allow benefit to continue when such circumstances are reported to us and ascertained.

1861. When you find women doing household work at all you refuse sick pay?—Yes.

1862. You do not set up your sickness visitation under two weeks?—It is not possible to do so.

1863. So a woman under those conditions can, if she likes, have two weeks' sick pay through your society?

—Yes, if the doctor certifies her to be incapable of work.

1864. What are the certificates upon which you pay? The doctors certify the women; do they find them incapable of work?—Yes, deliberately and formally.

1865. And you pay on a certificate of that kind?—Yes; we feel that the responsibility is on the medical officer who certifies the person incapable, and it therefore comes within the Act.

1866. Your rendering of the Act is, that when the doctor gives a certificate of incapacity, you should pay?—Yes, until we have evidence to the contrary.

1867. And not that the society has to be satisfied that the sickness totally incapacitates?—No, we feel that delay in payment is a very serious matter.

1868. May not this be one of the reasons of the excessive sickness which you set before us, that they can get a fortnight's sick pay before there is any check upon it?—Yes.

1869. Do you find many cases of women, who are pregnant, receiving sick pay under the names of other illnesses?—Yes.

1870. If you found such cases what would your action be?—We would inquire, and, if satisfied on inquiry that pregnancy was not the sole cause of the illness, we would pay.

1871. How long would it take you to find that out?—At once. We institute inquiries at once where the certificate discloses pregnancy.

1872. My question is really to find out whether a great deal of sickness was not pregnancy that is set out under some other name. You would not find that out until you had had some visit made?—That is so.

1873. That leads up again to the necessity of having the means of checking sickness immediately on the part of the society?—Yes, that is the ideal. If we could, for instance, institute immediate inquiries we would stop a lot of this excessive sickness, but it is a financial matter.

1874. Then you admit that some of the cause perhaps for the excessive sickness is the fact that with the large number of members you have, and the small number of the visitors, you are not able to compass the visiting in a way that is desirable to satisfy the best conditions?—No, I do not think that that is the case at all. We are not able to institute inquiries in the first instance, because it would mean delay in inquiring in cases of claims where the evidence before us is sufficient to justify the claims. We find that for sick visiting, on inspection of the claims, we have a sufficient staff to do any sick visiting that we think is necessary to be done.

1875. The judgment in all these cases must be that of the head office; it is not allowed to the local agent?—Judgment is allowed, but there is always a review of the head office.

1876. That means that it is a long time before you could obtain a decrease of sickness?—Not necessarily. Our agents have a personal acquaintance with the claimants as a rule.

1877. Have you in mind the statement which you made with regard to the proper sickness of women, that the experience which you have had may be on account of real sickness which might have been caused by reason of the under-estimate of those who set up the financial arrangements?—I say it is possible.

1878. I am trying to find out as against that—whether it is right or wrong I am not prepared to say—whether the contributory cause of the excess is not with the society, and that, if managed as it is intended to be managed, the incidence is not perfectly correct?—In the first instance if the sickness is real, no amount of inquiry on the part of the society will minimise the payments.

1879. May I call your attention to a statement in the evidence which you have submitted; where you put the cases before a visitor or your referee, it is very notable how many cases go down?—Yes.

1880. That statement of excessive sickness was put before us for comparison, and you think that it is proper sickness in most cases, and that the incidence

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of sickness originally made was not sufficient?—In some instances.

1881. And having regard to the fact that when you set up an inquiry by the referee the sickness goes down with a large jump, do you think that if, in the first instance, a weekly visit had been instituted by the society the incidence of sickness would be as high as it is now?—I am certainly of opinion that if a weekly visitation were possible, it would have a great effect on the amount of claims.

1882. With regard to young married women, do you find among your women members that a large number get married after they join, and go to work for two or three months, and then find it necessary to give up work, and that they run on for a long period of sickness, and afterwards tell you that they will not go to work any more?—Yes, and it is a very serious matter.

1883. Does that obtain in your society?—Yes.

1884. You would say that it is a serious matter?—We are helpless in the matter.

1885. Is it one of the means whereby your sickness rate is made very much heavier?—No, I do not think it will have that effect, because, in the first place, the number of cases which arise of women marrying, if we had the proportion to the total, is small, and if the total is a small number and there are some only who go on in that way, then the proportion of these people to the total must be very small, so that it cannot have a serious effect.

1886. Do you think that that is likely to grow unless some machinery is brought into existence to check it?—I think so, and I would very much welcome some machinery to check it.

1887. I take it for granted that the sickness visitor only visits when directed to visit?—The sickness visitors are directed to visit in certain instances direct from the head office. In addition to that check the manager in the district, where the member resides, has authority to send the sickness visitor for the district to any case whatever of which he is suspicious.

1888. But you must have a large number of cases in which there is no sickness visiting at all?—Yes, we visit about one-fifth, and four-fifths are not visited.

1889. You say that the doctor in some instances tells the members to have a long rest?—That is frequent.

1890. Is that chiefly in the case of men or women?—It applies to women mostly.

1891. Could you give any reason from the many inquiries which you have made why the doctor tells them to do so?—No; I do not think my reasons would be of any use; they are only a matter of opinion.

1892. There are tangible reasons perhaps—I was wondering whether you could give us any: whether these people had been requiring a rest a long time before the Act came into operation, and it was found that they could now take a long rest, because they had not previously the opportunity of getting sick pay?—Since the Act came into operation we have had many people who have gone on the sick fund, and who certainly would not have gone on the sick fund before the Act came into operation.

1893. That may be a factor in the increase of sickness?—I should certainly think that it is.

1894. Is there any reason why a man or woman who is sick in a family in which there may be a number of policies on the assurance side should be allowed to stay on very much longer, as sick, than if that person had been in a family without policies belonging to the other side of the business?—I am glad you mentioned that. We have laid down as a maxim, from which we would not depart in any circumstances, when we first started this work, that no report would be asked from the agent on the parent society side. That was the reason we appointed separate sickness visitors not connected with the agent's organisation. And for that reason where we have no sickness visitor in the district, we will not send the agent to report. We will send a tester or inspector who is quite independent of agency connections in any way whatever.

1895. Then you would not think it possible for an agent who visits for the ordinary contribution of the member or members, seeing that person sick, and saying to him, "You have only had three or four weeks; you must have another three or four weeks and 'get perfectly well'?"—Where we get some protest against suspension of benefit, and the remark is made that it will affect the business of the parent society, that rather tends to secure that we will not pay any more benefit to that person.

1896. If any of these complaints come to you, what committee hears them?—The committee of management of the approved society in the case of important complaints. The minor complaints I hear myself.

1897. Do you decide the action?—I decide whether it is sufficiently important to go before the committee of management.

1898. Or whether you would suspend them right away?—There are so many cases which obviously ought to be suspended, and these I leave to the head of the claims department to settle.

1899. And without any inquiry to see whether the individual has any right to object to the suspension?—In the most certain cases where there is no moral doubt at all that the suspension is justified.

1900. Suppose one of those disputes comes on, what is your procedure? Does the appeal come to the same committee that has decided the suspension?—In the first instance to the head of the claims department. If, as is usually the case, there is no denial, and there is no substance in the protest, then he allows the suspension to stand good.

1901. Suppose in one of your districts there is a heavy incidence of sickness and a lot of these reports are sent up to you, and a number of those people in that district wish to complain to your body about your action, would they have any right to call a meeting of that area, or would they have to make individual complaints to be dealt with individually, or have you any committees in any areas that you allow to report?—No, the only committee in operation at present is the central committee in the head office.

1902. That means that people in the locality must make individual application to the head office?—Such cases have not arisen. If a case of that sort arises in consequence of continuous complaints from a particular district, it will certainly be placed before the committee of management. I should not deal with that at all.

1903. I was trying to find out whether, seeing that the society has to be managed by its members, it had any rights outside the local committee to have complaints dealt with, other than on appeal to the central committee?—There is always the appeal to arbitration.

1904. The Chairman brought out the fact that you had put something into the rules that would frighten an ordinary man from going into arbitration by reason of having to pay the cost?—He may be liable.

1905. He would read it that if he lost he would be liable?—My experience of members of the society is that they are perfectly well able to take care of themselves, and where they are not, there are always a lot of people about who would see that they get what they think they ought to get, or put their claims forward. The agent is a person acquainted with the members and with the facts of the case, and if there is the slightest idea that any injustice is being done to any of his members, he will report it to the head office.

1906. Do you think that the fact that they are isolated to this extent provides an answer somewhat to the first part of the inquiry as to having a general understanding of the principle of insurance, or that being isolated and dealt with by the central office destroys all interest in national insurance?—I think that all the interest that members, both of the parent society and of the approved society, have is to get their benefits.

1907. And they have no interest in taking care of the funds of the society, but simply wish to get money because they have paid money?—I am decidedly of that opinion. We have three million members. We have a million members in London. We have our meetings and advertise them, and we have about twenty

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people who come. That shows to my mind most decidedly that people are only concerned as to getting their benefits, and that though the mutual idea is recognised in theory, it does not work out in practice.

1908. Not in your society?—In all the societies of our class, where the circumstances are like ours.

1909. When do you call meetings, and where do you call them?—The approved society meeting is to be held in the third week of November.

1910. Where?—In the registered office in London.

1911. You make no provision for those in Liverpool and Manchester?—Yes, there is to be a meeting in the other places.

1912. What would be submitted at those meetings? Would there be a right to suggest amendments of rules, or do you simply meet to receive a report?—The ordinary meeting is to receive the financial report.

1913. But not to amend rules or do anything of that kind?—Yes, they have powers to do that.

1914. Can those local meetings amend the rules?—Yes.

1915. I am trying to find out whether the spirit of the Act is being brought into existence, or whether, by only having one head office, you are creating the feeling that the people are simply to be insured instead of being part of the insurance, and working it as a national concern?—I do not think it possible for them to feel that it is a national concern in the circumstances of the case.

1916. I take it that the question of termination of membership rests with the committee?—No. It is subject to appeal to arbitration, and afterwards to appeal to the Commission.

1917. (*Mr. Wright.*) May I ask you broadly to what extent are the affairs of your society subject to the absolute control of its members? I will put it in this way. Is there any provision in the rules for holding meetings other than the general meeting, which is held in November?—Yes.

1918. Is there any provision in the rules for holding regular meetings of members in the localities?—Yes.

1919. I used the word "regular."—Yes.

1919a. The point I want to get is whether the members have any opportunity by regular meetings of getting to know one another?—No, I do not think so, not in general.

1920. (*Chairman.*) They have not any at all except such facilities as are open to all His Majesty's subjects of knowing one another?—That is so.

1921. (*Mr. Wright.*) The members have no voice except at the annual meeting in the appointment of officials?—The treasurer is to continue in office at the pleasure of the society, and to be removed at a meeting thereof specially summoned for this purpose.

1922. May I refer you to the rule of your society which states that the members of the committee of management, including such persons so co-opted as aforesaid, shall not be removed from office until the 30th June 1916, save for misconduct or incapacity. Have the members any opportunity of electing any members of the committee of management until June 1916?—Obviously not.

1923. What is the membership of your approved society?—Approximately, 350,000.

1924. What is the membership of the industrial section of the parent organisation?—Three millions.

1925. What proportion of the 350,000 insured persons were, prior to their admission, members of the parent organisation?—I should estimate that about 75 per cent. of them were.

1926. What proportion of the 276 members who were required to submit to a second medical examination were members of the parent organisation?—I could not say; it has not been taken into account.

1927. What was the object of inserting into the application for membership form the question: "Are you insured in the —?" I suppose the name of your company would be inserted there. "If so, give 'policy No. —'?"—A matter of personal interest with no special object in it.

1928. What, exactly, do you mean by that?—To know whether our own members were joining the

approved society, and whether we were getting any new members who were not members of the parent society.

1929. What influence would the answer to that question have upon the admission of the person applying?—It would have an effect in respect to aliens who would be necessarily affected, being members of a society which had become approved, in connection with their claim to be treated as British subjects.

1930. But others than aliens would be required to answer this question?—Yes, that is one object.

1931. Supposing the question were answered in the negative, would the effect be that you would more accurately examine the proposal forms?—Certainly not. There were no such instructions, and no indication was given to the clerks to examine these proposals more carefully.

1932. Suppose the question were answered in the affirmative, you would have satisfied yourself previously that the life had been fairly good?—Previously, yes; but that is not enough. A person may be in good health one month, and in bad health the next. We could not detect that.

1933. But that did not influence you in any way?—Not at all.

1934. Do your sickness visitors in any cases act also as agents?—Not at all.

1935. Have the sickness visitors any connection whatever with the parent organisation?—Most of them none at all.

1936. In those cases where they have a connection with the parent organisation, to what office were they appointed?—There is no general relationship. Some relative of theirs may be connected with it.

1937. They themselves had no business connection with the parent organisation?—No.

1938. They are appointed by the committee of management of the approved society?—Yes.

1939. And paid by the committee of management of the approved society?—Paid indirectly, yes.

1940. I do not mean the members of the committee themselves pay, I mean paid by direction of the committee of management?—Certainly, yes.

1941. Out of the funds of the approved society?—Yes.

1942. And not out of the funds of the parent organisation?—Certainly not.

1943. Then the inspectors from whom you have got information—are they officers of the approved society or of the parent organisation?—They are officers of the parent society.

1944. What connection have they with the approved society?—No connection, only in particular cases. They are only asked in particular cases where the area is scattered, and where we could not afford to keep a regular sickness visitor.

1945. Do they come in contact at all with an insured person?—In general, no. They are there to test the action of the agent of the parent society putting on lives. The proposals are supervised.

1946. But you have relied for portion of your evidence upon reports received from these inspectors?—No, I did not refer to the inspectors in asking for reports.

1947. In your outline of evidence you say that the experience of the Liverpool Victoria Approved Society on the question of unjustifiable claims will be given, and that information has been requested from the society's sickness inspectors on this point?—That means sickness visitors.

1948. Then it does not mean inspectors of the parent organisation?—No, I have not gone to them at all.

1949. The reports you have given to us are those of the sickness visitors?—Yes.

1950. They are the persons who are in the closest touch with the insured persons?—Yes, they are in the closest touch obviously in seeing the cases; in other respects they do not come in touch with them.

1951. What have the agents to do with insured persons?—They pay the benefits to the insured persons; they collect the old cards and supply new ones.

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1952. So far as benefits are concerned, the agents pay the benefits?—Certainly, at the house of the insured person.

1953. Whence do they obtain the money to pay the benefits?—Temporarily out of the funds in their possession belonging to the parent society.

1954. Upon the authorisation of the district superintendent?—Upon the authorisation of the staff officer through the district manager.

1955. Is the process of payment this, that the head office, having examined the claim, sends a notice down to the district superintendent that one of his agents is to pay a certain sickness benefit?—Yes.

1956. What will the district superintendent do?—He would hand on the authority to the agent.

1957. To what particular agent?—The agent who started the case with the approved society.

1958. Did I understand you to say that 5 of the 30 sickness inspectors say that apparently no blame for excessive sickness claims attaches to the panel doctor?—No, one only.

1959. Twenty-nine of them blame the panel doctor?—I only referred to 25, and 24 of them did so.

1960. Twenty-four of them blamed the panel doctors for what they considered excessive sickness claims?—For faulty certificates, that is what they are concerned with.

1961. What would you mention as being faulty certificates?—Certificates stating that there is incapacity for work, when there is no incapacity for work.

1962. What actually was on the certificate?—The sickness visitors are not in a position to say what is on the certificate, they simply go to visit the case and they find that in fact the certificate is wrong, and that it says the member is incapable of work, whereas she is capable of work.

1963. Has the sickness visitor seen the certificate?—No.

1964. What instructions do you give the sickness visitor?—We send a sick report form to him to answer the questions which are asked.

1965. Is this all that the sickness visitor has?—That is all.

1966. You do not tell the sickness visitor, when you send this, what complaint the insured person is supposed to be suffering from?—No. All we can send the sickness visitor to ascertain is whether the claim is justifiable or not, but we say nothing as to any particular disease; it might be any disease. Any disease might render a claim justifiable or not.

1967. What were you quoting from when you told us that the doctors had issued certificates for lassitude?—The certificates which came into the office from the doctors.

1968. You were not quoting from one of your sickness visitors' reports?—No.

1969. (Mr. Warren.) I think you told us that in all cases your agents pay the benefits?—Yes.

1970. But they do not act as sickness visitors?—No.

1971. I take it that they are the persons who have the fullest knowledge of the insured members of your societies?—Yes.

1972. They have a fuller knowledge than anyone else connected with the society of the particular individual?—Certainly.

1973. Do you think that your agents draw the attention of the society to cases which, in their opinion, are questionable?—They do—to their own detriment in many cases.

1974. To any number?—The proportion might be small, but we receive very excellent help from our agents from time to time.

1975. But in the cases you have quoted to us this morning as to the number who were subjected to scrutiny, a considerable percentage immediately took steps to take themselves off the funds, and in the long run only 22½ per cent. of that number were maintained in benefit. Had the attention of the society been called to these cases by that particular agent?—In some cases.

1976. Could you give us an idea of what proportion of cases?—No.

1977. Probably it is a small number of cases?—Yes.

1978. Speaking from your knowledge of your particular society, are you satisfied that you have in operation a reasonable sickness supervision?—Yes, but I would like to qualify that. If we wished to have complete supervision we could easily do so, but we should probably spend more in checking claims than we would save in benefit, and if we are going to spend two shillings in order to save one shilling's worth of claims, that is not a proposition which we could think of as business men.

1979. You told us that, roughly speaking, only one-fifth of your claims were visited?—Yes.

1980. In other words four-fifths of the claims were paid without any strict sickness supervision?—They are paid on evidence which appears to us to be perfectly satisfactory. If the evidence is not perfectly satisfactory, an investigation is made and the question is inquired into. One-fifth have been visited and therefore one-fifth of the claims, on the evidence before us, were thought to need investigation.

1981. What would you regard as satisfactory evidence in respect of the four-fifths?—A certificate of a disease which undoubtedly should cause incapacity.

1982. Do I gather from that that in every case of what in your opinion might be regarded as minor complaints investigation is made?—It is.

1983. In every case?—Yes, investigation is made. The period varies with the duration which we think ought to be sufficient.

1984. Even in the case of those certificates with highly technical names which might confuse you, and which describe disorders that ordinary men would call flat-feet or headache or toothache?—Yes, I think in that case we would investigate, particularly when we hear of minor complaints. We would investigate beforehand; we should not pay. In other cases we would investigate when the complaint had lasted for a period which we considered would be justified by the complaint.

1985. Your rules provide for the appointment of nurses, that is in addition to the sickness visitors?—The sickness visitors do not do any nursing.

1986. Have you appointed any nurses?—No.

1987. You have not availed yourselves of the provisions of the rules?—No.

1988. Therefore you have no knowledge of what value they have been?—No.

1989. Have you been able to ascertain whether unemployment has anything to do with the volume of claims for sickness benefit?—In the case of men it certainly has, in my opinion; and this is in accordance with the opinion of the sickness visitors. In the case of women it is not so apparent, because they do their household work instead. That is my opinion, and it is the opinion which I have got from the sickness visitors' reports.

1990. I gather from your statement that you are concerned with the magnitude of the claims in respect of women?—Yes, decidedly.

1991. Would you tell us in your opinion why they arise? Do you think that the question of the 7s. 6d. per week benefit, approximating so closely to the income for work, offers an inducement?—Certainly. In addition to that the provision in the Act allowing you to pay only two-thirds of the usual remuneration is entirely inoperative. It is the usual rate per week. We find a charwoman having one day's employment earning 2s. 6d., or with two days' employment earning 5s., yet the rate of remuneration will justify her drawing the full 7s. 6d. Therefore we have abandoned that provision altogether: it is no protection to us.

1992. With the experience of your society in all parts of the country, would you say that this obtains in all parts of the country?—Certainly, but not so much in the industrial centres where wages are higher for factory hands, and so on, but where there is a lot of casual work done by women, it certainly has a great effect.

1993. Have you any experience of women out-workers?—No special experience.

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1994. Still, I suppose, as far as you have experience the same answer applies?—Yes, whether they were out-workers or of any other class.

1995. Particularly where their wages averaged only from 4s. to 7s. per week?—Certainly.

1996. Has it come to the knowledge of your society that the relatives and friends of insured persons can obtain continuation certificates in respect of those persons; in other words, that they can attend at the doctor's surgery, and he will grant the continuing certificates?—I am not able to say whether that is the case. It has been reported to us, but I do not take all the reports as being true.

1997. Has it come to the knowledge of the Liverpool Victoria Society that doctors are to any extent ante-dating or post-dating the certificates?—Yes, we have had many instances of that sort. Where it was detected, we found that in most of those cases the doctor, though legally wrong, was morally right, as he was perfectly sure that the illness would extend beyond the date—a serious illness, for instance.

1998. And it did extend?—Yes, I do not think that any great harm has been done in that respect.

1999. Do you find insured persons in any number objecting to having to go from the doctor to the chemist for the necessary medicine?—I have not heard any complaints whatever on that score.

2000. Do you know if, generally speaking, the prescription given by the doctor is taken to the chemist?—I have no knowledge again.

2001. I think, from your remarks this morning, that so far as the Liverpool Victoria Approved Society is concerned there is considerable misunderstanding on the part of the insured persons as to the real meaning of insurance?—There is a feigned misunderstanding of the Act for their own purposes. I do not believe that they are as innocent as they would make out. They say that they have paid for the insurance, and if they are ill they can draw the insurance, whether they can work or not, but I doubt if they are so innocent, and I think it is a feigned misunderstanding.

2002. The insured persons have not yet realised that they are materially interested in the financial stability of their particular approved society?—They have not.

2003. They do not realise that they stand or fall by their own particular society?—No, they do not; I am quite sure of that.

2004. (*Mr. Mosses.*) Is your approved society altogether distinct from what you have termed the parent society?—It is a separate section of the parent society.

2005. Managed by a different committee?—It is, in fact, the same committee with one or two exceptions.

2006. How is that committee elected?—In the nature of the case there was no possible election of a committee before there was membership, and I think that the Commission agreed to the names of those who were to form the first committee of management. There has been no real election yet.

2007. There is no real democratic control of the society or of appointments to the committee?—For the first committee there has certainly been none.

2008. I mean the committee charged with the administration of the approved section?—Yes.

2009. You referred to 12 cases of actual fraud?—Yes.

2010. What were these particular cases of fraud? In what way did they occur?—In going to work while drawing sick pay. In one case the man not only did so, but he boasted to his fellow-workmen that he was "doing" our society as he put it. In that case there was a month's imprisonment. Cases of this kind are most distinctly deliberate, but we suspect fraud in many instances, but unless it is certain, we do not report.

2011. How many women have you in your society?—I have the total and the percentage, but I have not the actual number you require. But I think about 150,000.

2012. That is very nearly half; what proportion of these are married women?—I could not say; I could not separate them.

2013. Then you do not know whether the proportion of the costs of benefits is greater for married than for single women?—No.

2014. In what areas have you most married women as members?—They follow the population. In large industrial centres we have a large number, because of the large population there.

2015. They are scattered fairly?—Yes there is no particular area where we have them most of our members.

2016. You cannot say proportionately what occupation these women follow?—No, my impression is that they are in casual occupations, where we get the worst complaints.

2017. Have you many in the great cotton centres of Lancashire?—Oh, yes.

2018. Can you say if you have many cotton operatives?—Yes.

2019. And the same in Yorkshire in the woollen trade?—Yes.

2020. You really enter into competition with the trade societies who cater for this particular class of workmen?—Yes.

2021. You referred to medical certificates and seem to think that they are very easily obtainable?—Yes, I do.

2022. That doctors are fairly complaisant in granting certificates?—Yes.

2023. And you do not know many cases in which certificates have been refused?—No, I do not remember one.

2024. Not one?—No.

2025. Have you any cause for thinking that cases occurred in which the insured person has been ordered to work, and in which the doctor has protested against it?—No, not one.

2026. Have you gained many members by transfers?—Very few, proportionately.

2027. Are you losing many proportionately?—Very few.

2028. That is, of course, the gauge whether or not you are popular?—We are gaining more than we lose. We are increasing by the numbers of transfers.

2029. Do you place any obstacles in the way of transfers?—No, if there is any reasonable cause, we consent to the transfer.

2030. (*Mr. Thompson.*) You count on increasing co-operation on the part of the doctors as the most satisfactory and economical way of reducing what we may term excessive sickness claims?—Most distinctly, for the reason that if we were sure as to the medical certificates, we would be free from those claims which are of such short duration.

2031. You believe that co-operation on the part of doctors is increasing?—Yes, I think I may say so.

2032. Have you a large number of members in Manchester?—Yes.

2033. You do not say anything in regard to the system of payment of doctors there?—No, I can draw no conclusions, but I may say that in Lancashire, in general, we are experiencing the worst state of affairs in another respect. It is where we get a refusal from the referees to make a statement in cases where the panel doctor has made an examination.

2034. Have you formed any opinion as to the advisability of the medical referee being appointed by the Commission or the insurance committee, and whether that would be preferable to being appointed by the societies themselves?—I think so; I have a strong view that if the referee were appointed by the Commission, and not by the insurance committee, it would be very useful.

2035. Then as to admissions of members, you suppose that the knowledge from the proposal form constitutes a safeguard to the society?—The certificate and the proposal.

2036. Although there was a rush of applicants to the society, you were not without some safeguards as to the character of the applicants?—There were two safeguards.

2037. The number was about one-tenth of the number in the parent society?—Yes.

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2038. Do you regard that as excessive having regard to your parent society's action?—No.

2039. Then I think you say that the membership terminated in all cases was 336 persons?—Yes.

2040. That is to say that you have found that of the 350,000 persons that is the number who ought not have been admitted?—Who clearly ought not to have been admitted.

2041. I think that is rather less than one-tenth of one per cent.?—Yes.

2042. So that your experience so far has justified the selection of your members?—Yes.

2043. As regards the questions of the proposal form, there are one or two points in my mind. I think you stated that it was difficult to imagine that a person would say that he was intemperate. Do you often get answers such as that?—There are all sorts and degrees of answers.

2044. Such misstatements as you discover afterwards, you say, have been generously interpreted by your committee, so far as it is consistent with their duty to the other members of the society?—Most generously, I consider. In many cases we have allowed people through whom we ought not to have let through in my opinion.

2045. There is one question relating to the present state of health of the applicant, which I presume enables you to exclude obviously undesirable cases?—Yes.

2046. If it were admitted on the proposal form that the applicant's history was a very bad one, you would exclude him?—Yes.

2047. As to the question of meetings of members, would it be right to say that your society attracted members who were less desirous than some to push democratic management to its extreme point?—I dare say, but I am doubtful as to what they feel in that way. I think they joined because they liked the parent society.

2048. Did a considerable number of the members of the parent society, who were required to become insured persons, select your society for the same reason?—I believe so.

2049. They exercised some option of their own?—Oh, yes.

2050. I put it to you whether, in your opinion, some of the members chose your society because they did not wish democratic management to be pushed to this point?—I think they were satisfied with the management.

2051. (*Dr. Fulton.*) Can you tell us what is the total percentage of your members who have drawn on sick pay up to the present time?—I am afraid I could not tell you the percentage.

2052. You do not know the average number of days sickness, in your experience so far?—No, I could not tell you, but the most common duration is one week.

2053. You could not tell the average of each member, up to the present time, for the nine months?—No.

2054. Your previous experience has been entirely in life business?—Yes, in industrial life.

2055. You have had no experience in your society of ordinary friendly society work? You have had just one brief experience in administering medical benefit?—Yes, a good many years ago.

2056. Have you any experience in your life insurance department of people being unwilling to see a medical examiner?—Yes.

2057. Do you think that any proportion of those persons who refused to see the medical referee were influenced by the fact of the unwillingness of the people to see a doctor they did not know?—I think that it is conscience; I am sure it is conscience.

2058. Even in the case of women?—There have been some instances in the case of women.

2059. Can you tell us what proportion of women there were, and whether proportionately there were more women than men who refused to see the medical referee?—There were more women than men.

2060. If your medical referee decides that your insured member is able to work, has he any appeal?—Yes, they may appeal to the committee.

2061. Have they any appeal to another medical opinion?—I think not.

2062. So that in your actual working, you take it that your medical referee is more competent to form an opinion as to the member's ability to work than his own medical attendant?—He is a more interested judge. We do not act strictly even on our medical referee's reports. We have had instances where our medical referee has considered that a person was fit to work, and where we considered in view of the other evidence that our doctor was wrong.

2063. In your opinion if a medical referee is appointed by any authority, he should be a competent officer, I mean a man of good medical opinion apart from administrative ability or anything of that sort?—Yes.

2064. Of good medical experience?—Yes.

2065. And experience of the industrial classes?—Yes.

2066. You say that if your visitor reports about the general condition of things in the house of the insured person, and if you are not satisfied with the medical report, you send it to your medical referee?—Well, we act at once if the sickness visitor recommends a suspension, but if the person produced other evidence then we arrange the matter.

2067. The sickness visitor has not seen the doctor's certificate?—No.

2068. Does the medical referee know the nature of the alleged illness?—No.

2069. Does he always know the nature of the insured person's work?—Not necessarily.

2070. On the question of a person being incapable of work, you point out the distinction between incapability of work and incapability of following a person's ordinary employment?—Yes.

2071. Do you think that your members understand that they are not entitled to sickness benefit, if they are able to do work of any kind?—I do not think they do.

2072. Had you taken any steps to instruct them on the point?—We have inserted a paragraph on the matter in our forms of claims.

2073. My point is that you think the general body of insured members do not realise that money has been deducted to give them benefits only in cases where they are incapable of doing any work whatever?—I think so.

2074. Do you think the doctors know?—I do not think they do.

2075. Do you think that the doctors have got any instruction with reference to that?—I think there is a new instruction made by the Commission recently.

2076. Why are women's claims so heavy?—Because they are so easily able to do work without being found out.

2077. You mean work in their own houses?—Yes.

2078. Do you think that your rules are sufficiently explicit on the point?—We rely on the Act; we rely on the limitation laid down in the Act about being incapable of work.

2079. Would it not be better if the thing were made clearer?—Yes, I think it would; we are taking steps now.

2080. You have not drawn up any rules with regard to the applications as to what you should pay for, and what you should not pay for?—No.

2081. Do you think such a catalogue would be useful?—Yes.

2082. Do you not think that as regards giving a certificate it would be more satisfactory?—I think it would be a very great advantage.

2083. You say that you have never known a certificate to be refused?—Not of my own personal knowledge.

2084. Could you possibly have known?—No.

2085. You mean that no member has ever appealed to you, and complained that he was refused a certificate?—Yes.

2086. You are quite prepared to believe that there have been refusals?—Yes.

2087. Do you find that the nature of the occupation has any particular bearing on the heavy claims for

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women?—It is only in respect to the amount of the remuneration.

2088. Whether the occupation is severe, or outdoor or indoor?—I would not like to say.

2089. (*Dr. Lauriston Shaw.*) I think I understood you to say that you have in preparation a different form with regard to sickness benefit?—Yes, it is in the press.

2090. You could not say what are the words?—I would not like to rely upon my memory.

2091. You propose to make clear to insured persons the limitation in the Act as to capability to work?—Yes.

2092. That those who are ill are not entitled to sickness benefit, unless incapacitated from work of all sorts?—Yes.

2093. And, in fact, that they must not do any work?—Yes.

2094. Have you taken any steps to communicate with the doctors personally that you thought they were under a misapprehension in this matter?—I cannot say that we have.

2095. Before asking an insured person to go to the referee, do you first communicate with the doctor?—No, not in the ordinary way.

2096. You have some difficulty as regards the employment of referees in Lancashire?—Yes.

2097. Can you tell us if there is any specific objection on the ground of fees?—No, not in Manchester. In another part of the country they have consented only on payment of prohibitive fees.

2098. Have you had any refusal to act as referee on the ground that you were not giving the referee an opportunity of co-operating with panel practitioners?—No, not one.

2099. The reasons for the Lancashire objections to act as referee are to you personally unknown?—Yes.

2100. You have had no explanation, and they only told you they would not act as referees?—Yes. In Burnley, particularly.

2101. You would like to see the referees appointed by the Insurance Commission?—Yes, distinctly.

2102. You think that that would be preferable to appointing them by the societies in each case?—Yes.

2103. And also preferable to the referee being appointed by an amalgamation of approved societies?—Yes; but that would not be so objectionable as a medical referee appointed by one.

2104. There seems to be an impression that the referee acts in the interests of the companies solely?—Yes.

2105. And that the doctor is acting in the interests of his patients?—Yes.

2106. Therefore you want the referee to hold the balance equally between all parties?—Yes.

2107. Could you tell us whether those nurses you employ are fully qualified nurses?—I believe that they have gone through a course of instruction in medical schools. I think so.

2108. (*Mr. Warren.*) I took the answer to my question to be that you had not appointed nurses except as sick visitors. You must have misunderstood my question. You have not exercised the power of appointing nurses?—They are qualified and capable of acting as nurses.

2109. (*Dr. Shaw.*) Is it the case that the money for sickness benefit is always paid personally by some agent of your parent society?—Yes.

2110. Do you expect the agent to see the persons, so as to know if there were any obviously improper claims?—I think he would rather, and I quite agree, put the responsibility on someone else of reporting in a case like that. We do get reports from our agents, but we do not expect them, and we do not say they are called upon to give them. In checking the first two weeks' claims we had some very valuable assistance in that way.

2111. You have consulted them as to how these first two weeks' claims could be lessened?—Yes.

2112. Do you think that a member may be expected to say not only that he had received a medical certificate, but that he recognised that he himself was incapable of work?—Yes.

2113. You have told us that words should be put in the form making it clear in the belief of the applicant, that he realised the limitation as to incapacity to work, and further recognised under the circumstances that he would be committing an offence in accepting benefit while capable of work?—The man who is incapable of work would give himself the benefit of the doubt, if he had the doctor's opinion. I think the doctor has great influence on claims.

2114. (*Miss Teens.*) You have women as sick visitors?—Yes.

2115. And you say that there are fully qualified nurses?—Yes.

2116. You have three or four who are hospital trained?—Yes.

2117. In fact you place a good deal of confidence in their reports?—We put absolute confidence in them, otherwise there would be no use in employing them.

2118. Quite so. Would you act upon their information in preference to a doctor's certificate?—No.

2119. Of course you realise that sometimes there are cases they are hardly able to judge?—No. But in fairness to the panel doctors it should be said that the visitors see the people at their own homes and in normal conditions. They make surprise visits, whereas the panel doctor has not had the opportunity of investigating the cases so thoroughly.

2120. Do you refer the report to panel doctors in these cases?—No.

2121. Would you give them an opportunity of justifying the certificate?—We feel that to a certain extent it is to our own interest to cease the benefits at once, and if we are wrong the patient will take steps to obtain evidence to convince us that we are wrong.

2122. (*Miss Macarthur.*) I was very much interested in what you say of these women's qualifications. Can you tell us how you pay them?—We pay them salary.

2123. Can you tell us how much?—We pay them 30s. a week in London, and sometimes a little more and sometimes a little less in the provinces.

2124. A good deal has been made by some members of the Committee in cross-examination of the fact that you only visit a small proportion of sick people, and that you only visit this small proportion for the purposes of detection?—As a matter of fact every member is visited by the agent.

2125. Now, who are these agents—all men?—All men; there are very few women, they are a negligible number.

2126. You say that while you do not expect the co-operation of the agents you sometimes receive reports?—Yes.

2127. Can you tell us if these reports are advising against payment of benefits, or in any other direction?—Obviously the reports we receive from the agents put us on inquiry, or advise us not to pay.

2128. You say that these reports form a very small percentage?—Yes, a very small proportion of the whole number.

2129. But you get them?—Yes.

2130. You have told one of the other members of the Committee that you could not say what proportion the number of women was on your membership, nor can you say what proportion the married women's claims to benefit were?—No, I am sorry.

2131. Can you give us any idea as to the main occupation of the members?—No.

2132. Nor as to the districts in which the claims are heaviest?—No. I think they are universally heavy.

2133. As you cannot give us any information on any of these points, how is it that you are so convinced that, where the members receive low remuneration, the claims are heaviest?—From the reports of the sick visitors in reply to the inquiries which I make. I made special inquiries as to the cases in which the claims were heaviest, and found that in casual employment there was a large amount of malingering.

2134. You believe that a large number of these claims are from persons in receipt of low wages—that is the essential fact?—Yes.

2135. I am not quite clear how you have got that information when you have not got any other

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information?—We have not direct information on the claims. We do not know from our inquiries what rate of wages is paid; we cannot from our documents tabulate it.

2136. It is a general impression?—An impression confirmed by district visitors.

2137. The sick visitors say that the wages of people in casual employment are low?—Their wages are low.

2138. You have come to the conclusion then that that is an incentive to claim benefit and stop off work?—Yes.

2139. With regard to the treatment of pregnancy claims, I understood that you receive certificates of incapacity. Do you refuse them in the first instance?—In every case.

2140. In cases of advanced pregnancy?—We refuse, but we make inquiries.

2141. Have you any idea of the average period for which you pay after child-birth?—About five or six weeks.

2142. I see there are 52 cases of suspension from benefits; I suppose these cases of suspension were on the ground of misconduct?—Yes.

2143. Can you give us some idea how you define misconduct?—The nature of the disease accompanied by corroborative evidence.

2144. Does it mean drunkenness—you would not pay for a man suffering from drunkenness?—No.

2145. Now, in the case of a single woman making an application in regard to pregnancy, would you pay it in that case?—Yes. Where a member is a single woman, we should pay the same as a married woman in that respect.

2146. Have you had a large number of complaints from your members on the subject of benefits?—I think that there were complaints.

2147. Did most of those complaints come before the committee of management?—No, some of them obviously should not be placed before the committee. There was no denial of the facts, but mere abuse of the society in these cases.

2148. There is no woman on the committee of management, is there?—No.

2149. May I take it, if a man or woman was the inmate of a hospital and had no dependents, that you would pay him no benefit in respect of the period he was in hospital?—We pay the hospital. We do not make a general agreement, but we make an agreement in every particular case. We ask the hospital whether they are willing to accept, and we take their acceptance as an agreement.

2150. Have you paid the whole of the benefit to the hospital or only a portion?—We always paid the whole of the benefit during the time the man or woman is an inmate.

2151. Would that apply to convalescent homes?—I do not know, we have not had a case yet, but I think so.

2152. You have given us a good deal of valuable information as to the reasons which, in your opinion, are responsible for the excess of sickness claims, but you had no information as to what had caused increased sickness, whether, for instance, there were cases of headache through want of spectacles, or troubles caused by defective teeth?—No, that is not within my knowledge. We have no details of that sort put before us.

2153. Would you be likely to find out if it were the case?—I think so.

2154. You must depend on the report of your sick visitors?—Yes.

2155. Supposing a man had been expelled and his membership terminated, would that affect the benefit of his wife if she were also insured?—We would pay the benefit.

2156. If the wife were an insured person in your society, and the man had been expelled, would that have any effect upon the treatment of the wife?—You mean with reference to a claim on her behalf? Oh, no. We should not think of treating the wife differently, because the husband had done wrong.

2157. You told us that 75 per cent., or something like 75 per cent., were previously members on the

private side?—I think so; that would be about the proportion.

2158. Is it a fact that all the members of the other side of the company's business are subject to an examination before admission?—It is not.

2159. Are they subject to any examination?—Members insured for 25l. or 30l. only.

2160. You cannot tell what proportion that would be?—Only a small proportion.

2161. (Mr. Watson.) You told us this morning, in connection with your women members, that the near relation of the sick pay and the amount of wages was a cause of great difficulty?—Yes.

2162. You said, in response to a question by a member of the Committee just before the adjournment, that where wages were low, real sickness was high?—Yes.

2163. Were you then expressing the mature judgment of the actuary, or was it the impulsive utterance of a big-hearted man?—I treat it as a matter of fact, or a matter of probability that where employment is poorly paid, or is casual, naturally there would be a greater tendency to sickness, and that sickness would be higher.

2164. You would not say that applied to the case of the agricultural labourer, would you?—No, because of his surroundings.

2165. You will forgive me for pressing you on the point, it is one of importance. May we take it that you are not speaking actuarially and statistically?—Oh, no.

2166. But you were giving expression to an inference which you thought might reasonably be drawn?—Quite so.

2167. Then you told us this morning that about a fifth of all the sickness claims are visited by the sick visitors, and that nobody could be visited whose sickness did not extend over a fortnight. You also told us that the one-fifth who were visited were visited in consequence of the doctor's certificate showing something which in the opinion of the officials made it desirable that they should be visited, that is right I think?—In general. The doctor's certificate mostly, but other circumstances occasionally.

2168. You then gave us the form for a sick visitor's report. The first three questions there are as follows:—
“1. Is the member obeying the doctor's instructions, or guilty of any conduct likely to retard recovery?”
“2. Has the member been away from home between 7 p.m. and 7 a.m.?”
“3. Was the member away from home at the time of the visit, if so, the reason, and how long was he expected to be away?”
I submit to you that these three questions deal entirely with matters of supervision, and not with anything that is likely to be found upon the doctor's certificate?—Yes.

2169. And the question of the person being away from home in prohibited hours is just as likely to apply to the four-fifths who are never visited, as to the one-fifth who are visited?—Yes.

2170. So that so far as your rules may be obeyed, or disobeyed, you have no knowledge whatever excepting with regard to those cases where something on the doctor's certificate, or some extraneous circumstance, makes it seem advisable that the case should be visited when the claim is first made?—Not quite. When I said one-fifth were visited I should have added that the visits are not all made upon instructions from the chief office. They are not all made as the result of the inspection of claims. In addition to the cases visited by the sickness visitors by instruction from the chief office, they also visit cases which the district manager, if he comes into possession of information relating to them, thinks should be visited.

2171. The what?—The district manager. The district manager for the locality, for some reason or other, suspects the case, and he has authority, in addition to the authority sent from the chief office, to cause a visit to be made, and absence from home would be one class of case which he would instruct the visitor to go and see.

2172. If the district manager happened to know about it?—Yes.

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2173. But if the case were perfectly straightforward when it first arose and it was quite a clean doctor's certificate, and quite a clean claim, unless something happened, more or less casually, to come to the notice of the district manager, no real steps are ever taken to see that the sick member is obeying the rules of the society?—No.

2174. You have 10 women sick visitors and 20 men visitors. I notice that the duration of your claims for women's sickness benefit is rather greater than that for men's sickness. The society has paid in the case of women 49,000*l.*, and in the case of men 62,000*l.*, but since in the case of men the benefit is paid at the rate of 10*s.* per week, we may take it that this will represent quite as much actual sickness in the case of women as in the case of men?—Yes.

2175. Why therefore does the society have 10 women visitors while it has 20 men visitors?—I do not know. We put them on as we find them necessary. I can only imagine that it is because the cases are suspected by the district managers which give the sickness visitors extra work to that imposed upon them through the chief office, and the information relates to men members more than it does to women members.

2176. We will leave it at that, and consider the women only. You have 10 visitors to attend to all the sickness claims among 130,000 women, a large proportion of whom, possibly 20 per cent. or 25 per cent., are married, and in respect of that proportion you tell us that it is extremely difficult to supervise the claims because of the facilities that a woman has for working at home while she is drawing sickness benefit. You mean that it is more necessary to visit married women?—Oh, yes, I think so.

2177. In that case, you have an extremely difficult problem to deal with, as affecting a substantial proportion of the 130,000 women. I think you may take it from me that, among 130,000 women you will have at least 35,000 claims in a year?—Yes.

2178. And these women are all over the country, and a large number of them are married, and 35,000 come on the funds during the year. Do you think 10 visitors can possibly deal with them?—Not adequately.

2179. When you say not adequately, can they deal with them at all? Can they touch the fringe of it?—Yes. In the first place there is the medical evidence which may be sufficiently strong to eliminate any prospect of malingering at all. The illness may be so serious as to preclude any idea that there is malingering. These cases are knocked out. They may be a large majority of the cases.

2180. Does that reply extend to breaches of rules as well as to malingering?—No, I am not referring to breach of rules, otherwise we should have to visit them all every week, which we consider is not possible, or at least, in my opinion, not financially sound. At all events there are a large number of women whom we may probably eliminate from any need for sickness visiting by the nature of their illness. Then there is another large proportion of them, who, by the duration of their illness, are not capable of being visited until their sickness is over, by the nature of our machinery.

2181. That is rather an admission of the suggestion I have made that your machinery is inadequate?—Yes, I think it is, with reservations.

2182. You told the Committee in answer to a question that the probable wage for a sick visitor was 30*s.* per week. Does that apply to men as well as women?—Yes, sometimes 35*s.* for men.

2183. For 30 sick visitors that would represent 2*d.* per member a year in sick visiting?—I should not like to say off-hand.

2184. Suppose for a moment it is 2*d.* per member a year that you pay for sick visiting, would you mind telling us what the duties of the agents are in relation to the society?—They are to collect the expired cards, write the new cards, and deliver them, and forward the old cards to the head office, after counting and sorting them. They are to go through the claims, and pay the sickness benefit week by week.

2185. There is no responsibility cast on them of supervision in respect of sick members; they are merely carriers of the money?—Yes.*

2186. Then in the case of collecting the cards, they do not make special journeys to collect the cards, but collect them on their ordinary round, do they not?—If they can, but they find a great difficulty in collecting them. When they should be ready, they are not ready, and sometimes there is great complaint from them that the insured members do not have their cards at hand when they call, and they have to make special visits for them in most cases.

2187. Do you mind telling the Committee what you pay your agents for this work?—We pay them for the work of collecting and re-writing, and paying sickness benefit, 3*d.* per case per quarter.

2188. That is 1*s.* a member a year?—Yes.

2189. And that is all they receive in respect of the approved society?—That is all the agents receive. There are certain other clerical duties undertaken by district managers, which carry small payment only.

2190. So that for the mere duty of collecting the cards, and issuing new cards, and carrying the sick pay to the house when it is required, the agent gets 1*s.*?—Yes.

2191. And the carrying of the sick pay to the house is not so much a burden to him as a help to him in his ordinary business?—His opinion is rather different. He thinks it is a burden to him.

2192. He would like a little more perhaps than the 1*s.*?—He wants more.

2193. At any rate, we have it that the man who merely carries the card to the house, and collects it at the end of the quarter, is paid 1*s.*?—That is not strictly the case. The agent does clerical work. He writes out the new cards and then he sorts out the cards he receives in numerical order for the purpose of facilitating the office work, so that some of the work he does is clerical work, and should be charged to office expenses.

2194. Perhaps we may put it in this way, that out of the sum available under the provisions of the Act for expenses of administration, the committee of management thinks it sound policy only to spend 2*d.* per head in the supervision of the sick?—No, I think it can be put better in this way, that if we found it necessary and profitable to extend the system of sick visiting, we certainly should do so. In the first instance we only employed a very few sick visitors in the very congested areas. Almost every week, or every month, we are instituting arrangements, not by the appointment of sick visitors, but by special requests to our parent society for officials who are not agents, to undertake sick visiting, and when you state the number of sick visitors as being 30, it does not quite represent the case because there are a great many visits made by people who are not regular sick visitors. I have some figures here which will make that clear. The total number of visits made per week, by the 30 regular sick visitors, is 650. There are 200 more at least at present being made by testers and inspectors, and the charges for the visits in these cases are higher necessarily than the regular wage of the sickness visitors, because they have to be made in scattered areas, and long journeys very often have to be made. In fact it is a reason for the non-appointment of sick visitors that the area is not congested. That is an additional expense on the approved society for sick visiting, though it does not appear as an item of sick visitors' salaries.

2195. A sick visitor, especially in the case of the women, is more or less a qualified person, frequently a nurse?—Yes.

2196. In the case of a man, a regular sick visitor, he must become pretty efficient in a short time?—Yes.

2197. But these other visits which cost more are made by people who have not these special qualifications?—I do not know quite what special qualifications can be enumerated definitely. I think a man who has had experience of the industrial classes in the inspecting business, put on by industrial agents, and visiting in an industrial population, is admirably suited for the

* The agents also insert the number of contributions each quarter in the insurance book.—C. F. P.

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purpose of sick visiting, whether he does it regularly or not.

2198. Do you suggest that he is admirably suited for casual sick visiting—paying a flying visit?—Yes.

2199. A man whose business ordinarily is to give the society an opinion as to the desirability of a contract, or the *bond fides* of an industrial life proposal, pays casual visits to people who are in receipt of sickness benefit. Is it your considered opinion that those visits are valuable?—Oh, yes.

2200. And that it is not necessary for this tester, as you call him, to go week after week to the sick member before he can form a really reliable opinion?—No, because before the question of a sick visit arises at all, before it is authorised at all, there is some suspicious circumstance, and that circumstance is made known to the inspector, and his report is more in the nature of a verification, or otherwise, of our suspicion.

2201. The suspicious circumstance would be something, I suppose, communicated to you by the agent who pays the claim?—Yes, or that the disease did not warrant the length of the illness.

2202. You merely control the very long cases of sickness, by more or less bringing in inspection at the point when you think the member ought to have gone off?—Yes.

2203. There is no attempt to deal with short sicknesses, however doubtful they may be?—It is a difficult matter to deal with.

2204. It is a difficulty that you consider is too great for you at present?—I think so.

2205. And no attempt is made even in long cases to deal with such people on the basis of the observance of the rules?—No.

2206. The rules may have been made to make it purposely irksome to the sick person to be on the funds. The curtailment of personal liberty is one of the instruments on which friendly societies rely to prevent people drawing too much sick pay. But although the rules may have been passed with that intent, you have no machinery for seeing that the rules are carried out?—We cannot go quite so far as that. If there is a serious, or persistent, or obvious breach of the rule as to work indoors, it is likely that the agent in connection with the case, who is personally known to the member, or some fellow agent or one of our inspectors, or our district manager will become aware of it and report the matter; and in the case of a district manager, who has a sickness visitor in his area, it will result in an order to the sickness visitor to visit the case without reference to the head office at all. So to that extent there is control over breach of rules.

2207. Does that amount to very much? You said this morning you had been at great pains to dissociate the two societies from each other as far as possible. Is the agent who pays the sick pay a servant of the approved society to that extent?—Yes.

2208. Paid by the approved society?—Yes.

2209. You have not any arrangement then by which all the expenses of the approved society are borne by the parent society?—There is an insurance arrangement. I think it is pretty well known. The parent society, for a certain sum per head, undertakes to pay the expenses of the approved society.

2210. That is what is more commonly known as the Prudential scheme?—Yes. That is exactly the scheme.

2211. I quite understand now: such being the case, is the agent who visits the sick person, and pays the money, the servant of the approved society or the servant of the parent society?—He is the servant of the approved society.

2212. Who pays him?—The parent society pays him.

2213. Then he is paid for his ordinary business by the parent society. He gets this shilling from the parent society as part of whatever money the parent society is allowed by the approved society?—Yes.

2214. Is it really the fact, in these circumstances, that he exercises that vigilant supervision to see that the rules are obeyed—the rules of the approved society—which ought to be exercised by somebody in

the absence of a regular visit from the sick visitor?—No. I do not think he does.

2215. You suggested to us this morning that the possible estimated sickness was understated, and that the excess was due to that circumstance. Do you mean by that answer that you fear that the effect of the Act is encouraging the splitting up of the insured population into different societies of different types, and has resulted in the formation of some societies which have a normally heavy rate of sickness among their members, quite apart from any question of malingering, while other societies have normally a very light sickness? Is that what you intended to say?—No. Not quite. It was that there had been no sufficient experience of female sickness to form a very reliable, or sufficiently reliable estimate of what the sickness normally ought to be in general under this scheme.

2216. So that you do not suppose that the Liverpool Victoria is a specially unfortunate society?—No.

2217. You think that it is a fair average of the population?—I think so, decidedly.

2218. And you do not think that if all these causes of difficulty could be removed, such as the difficulty of married women working at home, and the low wages in comparison with sick pay, and that sort of thing—if they could be removed and the abuse of sickness benefit extinguished, you would pull down your claims to the provision made in the statute?—It is only an opinion of mine, and I give it for what it is worth, but I do not think you will.

2219. In reference to the question put to you, you agree that the panel doctor should act in the interest of his patients. That, I think, was the phrase?—Yes.

2220. It seems to me, as the question is put, that it ought not to be left there entirely. We ought to look rather into what are the interests of the patient. It is not to the interest of the patient that his approved society should become insolvent?—No, of course not.

2221. He has the same interest with all his fellow members in keeping his society solvent so that he may have a normal rate of benefit?—Yes.

2222. On the other hand I presume you would agree that the doctor has a duty. When he signs a certificate, what he says on that certificate is that the person is incapable of work and your society certainly, and most societies to a certain extent, regard that certificate as more or less an order on them to pay?—Yes.

2222a. So that the doctor in giving a certificate is incurring some responsibility. He is doing a very serious act at any rate?—Distinctly.

2223. And he ought to have regard as much to the consequence to his patients' future benefit as to any other circumstance?—I quite agree.

2224. You agree that if a person goes to a doctor, and wants treatment and medicine and he is working at the time, the doctor might think, and probably in 99 cases out of 100 he would think rightly, that the man would be all the better, so far as his health was concerned, if he went off work, and had a rest and a long rest in some cases?—Yes.

2225. But that is hardly what the Insurance Act is intended to cover?—No. I would put it that it is not what the approved societies are paid for doing.

2226. It is not what the contributions are paid for?—No.

2227. The best proof that a man is not incapable of work is the fact that he is working at the time he goes to the doctor?—Obviously.

2228. So that when a person is working, and wants to work, and the doctor gives him a certificate that he is incapable of work he is putting financial responsibility on the approved society which was not intended when contributions were fixed?—Yes.

2229. The only other point I should like to raise is in connection with what you mentioned in reply to a question, that there had been cases where women had drawn sick pay shortly after marriage, and at the end of the period of incapacity had informed the society that they had ceased employment, and were not going on?—Yes.

2230. I do not know whether you could search out those cases?—I will make my best endeavour to find out.

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2231. (*Miss Wilson.*) You said in reply to Mr. Watson that you require a good many men sick visitors because in so many cases they were asked by the district inspectors to visit on special information. Can you tell us rather more about that special information—what its nature would be?—Of course it is a matter which is between the district manager and the agent in the district, and the nature of the case would not transpire at the head office.

2232. We may take it that it has nothing to do with the nature of the illness on the certificate?—Oh, no.

2233. It would be more in the nature of information that the man was actually at work?—Or had been drinking, or something of that sort.

2234. But would there be many cases in which it is suggested that he was actually shamming, and that there was nothing the matter at all?—Very seldom.

2235. It would be mostly drinking then?—Yes, and out after hours, and so on.

2236. You said that a good deal of the visiting was done by the tester and inspector. Are there any women among them?—No.

2237. Do they visit the women as well as the men?—No.

2238. The men only?—We have had occasionally to call in the casual assistance of women visitors, when the necessity has arisen in a very remote area, but very often we have to be satisfied with other sources of information than a visit.

2239. You mean to say that in the case of women, they are never visited by the inspectors or the testers at all?—Oh, no. Of course you know it is against the rules.

2240. Only by the women sick visitors?—That is so.

2241. So that as regards the men you have not only put on twice as many men visitors, but they are also assisted by the inspectors and the testers as well?—Yes.

2242. So that really your machinery for dealing with your men's claims is very much larger proportionately than that for dealing with the women?—Yes. I think I have said so.

2243. That is on account of the cases of breaking the rules that you find among the men, drunkenness, and shamming?—Yes.

2244. As regards the women visitors will you tell us in what way you get these nurses? Do you get them from nursing associations?—No, we do not.

2245. Do you think the nursing associations would supply nurses for this purpose?—I daresay they would. Yes.

2246. But you have not asked whether they would?—No.

2247. How do you get these nurses?—We get them in the first place by advertisement. We get them from personal recommendations in the main.

2248. They are people who are not employed for the time being as regular nurses?—No, I think not.

2249. They take your work because they have not got nursing to do? because they are unemployed?—Yes. I think so in general.

2250. And you say that you pay them 75s. a year in London?—Yes.

2251. Do you know whether that is less than would be paid to experienced nurses by the recognised associations?—I could not say.

2252. I think you stated, in reply to Mr. Thompson, that the agents took round the proposal forms to the people, who afterwards become your members, at their houses. Did they help them in filling up the forms?—Oh, yes.

2253. We may take it that they were anxious to get members?—Yes, some of them.

2254. Was there any additional fee for getting members?—Yes.

2255. These forms were filled in while the agent was in the house?—I should think so. Yes.

2256. Probably people would not have very much time to think out the answers to the questions on the form?—No.

2257. They were filled in in rather a hurry?—I do not know.

2258. In looking at the form myself it seems to me it would require some hours consideration before I was able to fill it truthfully. We may take it that they did not have that?—No, they did not in a normal case. In some instances the proposal would be left and called for, but no doubt in most instances they were filled up there and then, and signed.

2259. Some of those people, of course, would not be much used to filling in forms, so that your agents would be anxious to give them as much help as possible, and see it filled in while still in the house?—I think he would do it to save time. But they are used to filling in forms. Most of them have filled in forms for the parent society.

2260. Of course, your agents were anxious to get members?—Yes, most of them.

2261. Your visitors, I suppose, want to justify their existence by giving you as much information as possible?—They give us as much information as possible.

2262. So that they are rather anxious—I will not say to get members out of the society, but at any rate to make you feel that they have got something to do, and are giving you as much information as possible?—I do not know. We do not make any calculation or test of a sickness visitor's suitability by the number of cases she had recommended us to declare off.

2263. You do not put it so definitely, but perhaps you say, "They are energetic people. There is a good deal of work being done"?—Well, yes.

2264. Do the agents and sick visitors ever consult over any cases, in which there is doubt as to whether a claim should be paid?—Yes. When I say agents I mean district managers.

2265. But I mean agents?—I do not know, I am sure. We have no information that there is any system of that sort.

2266. The communication of the sick visitor is to you?—Yes.

2267. But in a good many cases, I suppose, the agents really know more about the family?—Yes, they will know about all the families, I think, that they are connected with.

2268. So that it is likely that there are cases in which perhaps, the agent thinks the claim should be paid, although the visitor, who knows less about the family, has recommended you not to pay it?—There are many cases of that sort.

2269. But in that case, of course, you are guided by the sick visitor who communicates direct with you?—Yes. We should have further investigation made, as a rule, in cases of that sort.

2270. But only if the agent communicates with you?—Yes.

2271. And it is not his duty to do so?—He thinks it is mostly.

2272. Do you think it is?—We do not take any view on the matter. We welcome any communication from the agent. We issue no instructions for or against.

2273. Supposing the sick visitor recommended that a claim should not be paid. You would regard it as rather superfluous if the agent wrote to tell you that it should be paid?—Oh, no.

2274. It is not his business?—We are anxious to get the truth of the matter always.

2275. Do you have many such communications from the agent?—No.

2276. You have not instructed them to make them?—No.

2277. Was I right in understanding that if there was something vague about the doctor's certificate you instructed the sick visitor to call? You, in no case, send the certificate back to the doctor?—Oh, no; I think we have referred certificates back to the doctor, when they did not convey any meaning to us.

2278. If it was some rather general term such as debility, you would not send it back to the doctor?—No.

2279. Or if it was pregnancy, you would not send it back to ask if there was any complication?—Yes.

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2280. But not in the case of debility, or anæmia, or something which you felt was rather general?—No.

2281. Then you trust entirely to the sick visitor to judge whether it was a case in which benefit should be paid?—Should be continued—Yes.

2282. You said that those members had complained of your decisions, and some of them had appeared before your committee?—The cases had, yes.

2283. The cases, not the people?—No.

2284. The people had not been heard by the committee. There were 20 cases which went to arbitration?—Yes, that is all.

2285. They are the only cases of appeal?—Yes.

2286. Were any of these women?—I think so. I have not the sex before me, only the number. I feel sure some were women, but I could not say what number.

2287. But a very much larger number complained of your decision than went to arbitration?—Yes.

2288. (*Mr. Wright.*) Before you leave Miss Wilson's examination, did she mean arbitration when she said arbitration, or merely the settlement of disputes by the committee?—

2289. (*Miss Wilson.*) I understand Mr. Peters meant arbitration. I understood this morning that there had been a good many people who appeared before the committee in person. I understand now it was only letters, but you have a rule which permits them to appear before the committee of management or some person appointed by the committee?—Yes.

2290. I understand this afternoon that that has happened in no case—that your appeals were only sent in in writing, that it was only arbitration in 20 cases, and that you have had no cases which appeared before the committee of management or some person appointed by them?—The people, who insist upon arbitration, or request arbitration, appear, in fact, before a person appointed by the committee, before the arbitration is heard.

2291. Am I right in thinking you have a rule which allows them to appear before the committee of management, apart from arbitration, without the question of costs?—I think they can—yes.

2292. (*Chairman.*) I understand actually there were 20 appeals to arbitration under rule 40?—That is so.

2293. I understand you to say you won 19 of them and lost one?—6 are settled, one against us, and 14 are still pending.

2294. Apart from that, there have been no formal proceedings before anyone, have there?—No.

(*Miss Wilson.*) I misunderstood what you said this morning. I thought the cases in which the witness stated that members had written to the committee of management had been cases of personal appearance as apart from formal arbitration.

2295-6. (*Dr. Pearse.*) On the question of doctors advising insured persons who are at work to go off work, I take it from your answers to Mr. Watson that you take some exception to their doing that?—No, I do not think it has come to our knowledge.

2297. I think Mr. Watson used the expression that the best proof that a man is fit for work is that he is working, to which you assented?—Yes.

2298. Do you think that that can be taken as a binding rule—that doctors should take it as a binding rule?—I think if a doctor signs a certificate that a person is incapable of work it should be a statement of fact.

2299. You do not mean to infer that a doctor is not justified in preventing from working a man who is actually at work?—I do not care to express an opinion.

2300. (*Chairman.*) Let us get this question about administration expenses clear. The fact is this, is it not? There is rule 33 (4) of your society which gives the committee of management power to enter into an agreement with the parent society, subject to the approval of the Commission. Is not that so?—That is so.

2301. And that agreement may provide for the parent society doing the whole or any portion of the work of the society, including the provision of such

accommodation as may be necessary, and the services, so far as may be requisite, of the staff of the parent society?—Yes.

2302. And, in fact, such an agreement has been entered into?—Yes.

2303. The remuneration has been fixed at a certain sum per head?—Yes, subject to variation.

2304-5. And that agreement has been approved by the Commission?—Yes.

2306. You are considering now whether you can afford to go on on the same terms?—Yes.

2307. I want to get that straight, because we had some talk about re-insurance which has nothing to do with it, has it?—I think it is re-insurance in effect. I intended to make it clear to the Committee.

2308. When actuaries talk together, they may use this expression, but the plain man would not talk about insurance?—That is so. I thank you for giving me the opportunity.

2309. As a result of that agreement, what I might call the field work is done by people who, in fact, are employed by and have contracts for service with the parent society. Is not that so?—Yes, in effect they are.

2310. And they are paid by the parent society?—Yes.

2311. So that the agents are the servants of the parent society?—Yes.

2312. Responsible to the parent society?—Not for the approved society's work; that is where the difference lies.

2313. Leave out "responsible." Appointed by the parent society?—Yes, they are appointed by the parent society.

2314. Dismissible by the parent society?—Yes.

2315. And having no right of action such as there would be as between a master and a servant, except against the parent society?—That is so, exactly.

2316. Paid by the parent society on the terms you have already mentioned?—Yes.

2317. I only want to get the facts. You thought, for reasons that may be excellent, that perhaps it was as well to have some inspection of sick people apart from the agents?—Oh, yes.

2318. Were you actuated only by the idea that to some extent the agent might perhaps be considering the interests of the parent society rather than the approved society? I do not want to put it too high. I am not making any suggestion against the agents?—I think in the nature of the circumstances, the agent would not be an entirely impartial person.

2319. Precisely. He has other interests to think about?—His own other interests.

2320. And for that reason you came to the conclusion that you could not entrust the duties of sick visiting entirely to the agent?—It would not be fair to the agent.

2321. That is all I want to get. I leave that there. One other point. You told me that the agent signed in some sort of way the application form?—He did.

2322-3. On the back there is a place for a witness, is that where he signs it?—No, there is the phrase introduced that he had seen the person, and that he was in good health and not subject to a regular disease, and he signs it.

2324-5. If the committee look at the book of rules it is well that they should keep in mind the fact that there is that addition made to the application form which does not appear in the book of rules. It was put to you whether there was any appeal from what was called the decision of the medical referee, do you remember it?—Yes.

2326. You said no, there was not. Do you mind referring to rule 29B of the rules of your society. Leaving out immaterial words, that rule says that if any member is dissatisfied with the action of the committee, or the secretary, or other duly authorised person, arising out of the report of the medical examiner—that is the gentleman we have been calling the medical referee?—Yes.

2327. Or has refused to attend for examination, he may require the committee to submit his case to the

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arbitration of a medical umpire selected by himself, or by his medical attendant?—That is so.

2328. I only call attention to the existence of that rule. I suppose it has never been put in operation?—No, and it has been overlooked by me because of that.

2329. It is only fair to point out that he has to pay a sum of money, before he gets the advantage of that umpire, but we ought to have the fact that such procedure exists?—The money is returned if the decision is in his favour.

2330. It says he may require the committee to submit his case to the arbitration of a medical umpire selected by himself or by his medical attendant. I understand you to say that you do not make any communication to the panel doctor when you send this insured person for a further medical examination?—No.

2331. Do you not think, having regard to the fact that that points to some extent to his own medical man having an interest in the matter, that it would be as well to introduce some such arrangement as that?—I think it might be, and we will give it every consideration.

2332. It does not seem quite fair to the panel doctor?—No.

2333. You rely on the panel doctor, do you not, to some extent as the protector of your funds?—Oh, yes, decidedly.

2334. You cannot have any sick visiting till a fortnight has elapsed. In fact, if you do not get protection from him, there is no one you can get it from?—Not for half the cases at least.

2335. Do you not think that perhaps you might take further measures than you have taken to get into touch with the panel doctors up and down the country, and try and introduce to them the idea that you regard them as the protectors of your funds?—I do not know.

The witness withdrew.

Mr. ALBAN GORDON (*Secretary of the Domestic Servants Insurance Society*) examined.

2348. (*Chairman.*) You are Secretary to the Domestic Servants' Insurance Society?—Yes.

2349. I understand from the statement which you have submitted that your sickness record, so far, is extremely favourable?—Extremely. The rate is 981d. per week, reckoning on a membership of 62,000, which is probably below our membership.

2350. Still, in spite of that fact, you think some claims have been made on your fund which are not warranted?—I think a certain number of claims.

2351. What do you base that on?—I base that mainly on the fact of sickness visitors' reports, and reports made by medical referees.

2352. Would you mind, in connection with that, describing to the Committee what your system of sickness visiting is. In the first place, how many have you got?—We have only one full-time sickness visitor for London, and a number of part-time ones.

2353. For London?—For London. In the provinces we have a number of provincial agents. We have not a complete system of sickness visiting in the provinces, but at least half our membership is in London, so at least half of it is thoroughly visited. Every doubtful case is visited. In the provinces we visit our doubtful cases wherever possible, but some have perforce to go unvisited.

2354. You say you visit your doubtful cases. Do you visit cases which are not doubtful as well?—Not unless we have some special reason.

2355. How does a case come to be classified as doubtful?—In the first place, any case where the certificates are at all conflicting. We have a large number of cases where the certificates are conflicting.

2356. What do they conflict with?—There are different diseases in different weeks. It may be laryngitis one week, and meningitis the next.

2357. When you get that what do you do?—We invariably decide that it is doubtful. We then send a sickness visitor, if it is in London.

2336. When I say protectors of your funds, I do not know whether you take the view that in protecting your funds, they are really protecting the funds of the insured people?—Quite so. That is a fact which is overlooked very often.

2337. They are no one else's funds, are they?—No. That means that if the excessive sickness continued, of course there will be reduced benefits, and everyone will suffer.

2338. What is a tester?—A tester is a man who investigates the *bond fides* of proposals in the parent society.

2339. Is he a person in the employment of the parent society?—Yes.

2340. Is he a superior kind of person to an agent?—A tester inspects individual proposals. An inspector investigates as to whether there is embezzlement by one of our agents.

2341. I mean the kind of man he is. What sort of education has he had?—He is a shrewd man, that is all I can say.

2342. He might be that without having any education. He has no special qualification in the way of education?—No, I think not.

2343. You said sometimes the district manager directed the sick visitation. What has he to do with it?—He knows the sickness visitor or visitors in his area.

2344. Are they responsible to him?—No.

2345. They do not take orders from him in ordinary circumstances?—They take orders from him as well as from us.

2346. Concurrently?—Yes.

2347. You do not find any difficulty arise?—No. When I say orders, we instruct the sickness visitor direct to visit certain cases. That does not occupy all their time as a rule, and they are at liberty to fill in their time with any other cases which arise in their district.

2358. The certificate comes up to the head office?—In every case.

2359. And the head office make up their minds that it is doubtful?—Yes.

2360. Do they then select a sickness visitor?—The full-time sickness visitor does most of the cases.

2361. Where does she live?—In inner London.

2362. Is she in personal touch with the head office?—Oh, yes.

2363. You tell her to go and visit?—She comes in every morning and receives a certain number of cases.

2364. How many does she do in the course of a week?—30 to 40.

2365. How many do the part-time people do in London?—About 10 a week between them.

2366. There will thus be about 50 cases visited each week?—In London.

2367. How many cases are there, in fact, on the books at any given moment?—About 700, or rather more.

2368. As far as the provinces are concerned, what do you do?—It is a very haphazard system. If it is in a town where we have an agent, we send the agent to call, if possible. It is only in a certain number of cases that we can visit them at all. Wherever we cannot send a visitor, and the case seems sufficiently doubtful to warrant it, we request some local doctor to carry out an independent examination into the case.

2369. Am I to take it that there is no visit with a view to seeing that the rules are kept, but only visiting work to see whether suspicions which have arisen on the certificate are justified or not?—Precisely.

2370. What does the sick visitor do after visiting?—She makes a report in writing on every case she visits.

2371. How long a report?—About six to eight lines.

2372. Just answering questions on a form?—No, a statement of her own. The form is of the simplest—

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name, number and address of the person, a space for the health visitor's opinion, and a space for my decision or the committee's decision, as the case may be.

2373. Her observations come forward in the form of what we should call a minute?—Precisely.

2374. What is done with that?—In most cases in the past there has been a great difficulty in following up the health visitor's report because of the absence of medical referees. There has been a great doubt in the mind of the committee as to what to do in such cases, but now that the London Insurance Committee has appointed referees, we send for a referee in every case that at all warrants it.

2375. When it comes into your office in Victoria Street what is done with the paper?—It comes to me first of all. Every disputed case comes to me personally.

2376. What do you do on it?—I scrutinise the facts; sometimes I give my decision off-hand, and sometimes I refer the case to the executive committee. We have a small executive committee of five.

2377. What would be the scope of the cases in which you decided the thing off-hand?—For instance, if a visitor reported that such and such a person had been back at work for the last week, I should at once declare her off the funds, and report the case to the committee, who would decide whether to take further steps. If it is a case in which the visitor reports that the person looks absolutely well, though the doctor says she is still ill, I send for a medical referee on my own initiative. If there is any circumstance that leads me to doubt, I place the case before the executive committee. Most cases I decide myself.

2378. How many cases do you take to the executive committee?—Not very many, about three a week, not more.

2379. How many do you send to a medical referee?—Now the number has increased. Up to the time when I submitted my statement of evidence the number that we had sent was 15 in all. We were not certain whether we were authorised to spend money on medical referees. But now we have sent forward another 15 in the last week or ten days.

2380. You have sent them in London to the regular London medical referee?—Yes.

2381. You pay a fee for doing that?—We pay 2s. 6d. per case to the London Insurance Committee, and they make the arrangement.

2382. What is the arrangement they make?—They have appointed six medical referees. They supply us with a number of forms, and one has to be filled up for every case we send forward. We send forward these forms on these cases, and in due time their report comes back. Upon that we pay 2s. 6d.

2383. The medical referee, I suppose, examines the person to whom the report relates at his house?—I do not know. I think in most cases at the doctor's house.

2384. And you do not know whether there is any consultation with the panel doctor?—I am not aware.

2385. Or your own sickness visitor?—No.

2386. The whole thing is in quite watertight compartments?—Quite.

2387. Your sickness visitor knows no more after making the report?—Occasionally she has to go again, and sometimes it is necessary to communicate with the doctor. In a few cases she has been of direct value to the doctor.

2388. In what case does she have to communicate with, or go to, the doctor?—Where she has reason to doubt a girl's statement. A girl may say, "The doctor says I shall not be fit for work for two months." If she thought it desirable, it would be in her discretion to see the doctor and ask him if, in fact, he had said that.

2389. Supposing you got a case of laryngitis one week, and meningitis the next, would you or your visitor or anyone take steps to ask the doctor what he meant by it?—Yes. Where there is such a flagrant or fantastic case, it is reported to the Insurance Committee.

2390. Straight off?—Yes, straight off.

2391. You do not begin by talking to the doctor?—Not in such a case.

2392. Do you never get into touch with the doctor except in order to test a girl's statement?—That is scarcely true. We have made it a policy in several cases where the doctor has said that the girl is suffering from "debility" to send a letter to the patient requesting her to show it to her doctor asking him to give us further information as to the primary cause and nature of that debility.

2393. Are you getting answers to those letters?—A small proportion of answers.

2394. I will come to that in more detail in a moment. Turning to the kind of persons insured, you are not yourself in very close touch with the insured persons themselves?—Not individually, only by letters.

2395. What do they write to you about?—Mostly complaining of delay of payment of claims, which we have delayed for the purpose of visiting.

2396. Otherwise, you do not know very much about them?—Not personally.

2397. Then if I ask you what you think their view is about insurance, whether it is insurance or a kind of savings bank, your opinion would not be very valuable?—They express their opinions very freely in writing.

2398. What opinions?—It is mostly complaints that reach us. The most widely expressed opinion is that the whole thing is a fraud.

2399. Yes, I know, but, apart from that, do you find a sort of inclination to get paid?—The phrase that I put in my abstract of evidence is commonly employed. "We have been paying in nine months and have had nothing, and it is time we had something." I would say that there is a certain amount of misunderstanding rather than a large amount of misunderstanding on this point.

2400. Your society deals to a great extent with a very stable portion of the employed class?—In what way "stable"?

2401. You deal with the better class of domestic servants?—Certainly.

2402. And therefore they are better educated than the majority?—I should not like to say that.

2403. You do not think so?—I do not think so.

2404. They are better paid?—Yes.

2405. And have more constant employment?—Yes, better fed and better housed.

2406. What about their inclination to go back to work when once they get on to the fund?—The reports of the sickness visitors in about thirty per cent. of the cases represent her as stating "I do not think it necessary to go back to work just yet," or "I thought of going back to work, but the doctor says I must not." That is a common kind of phrase.

2407. Have you any reason to suppose in the latter case that the judgment of the patient is better than that of the doctor?—None whatever, except that the patient is hardly likely to be willing to go back to work, unless she is capable of it.

2408. That is a matter of opinion, and that is your opinion, which is what we are mostly concerned with at the moment?—Yes.

2409. Have you had any cases of deliberate fraud?—None whatever.

2410. Either in getting sickness benefit, or originally in getting into the society?—None whatever.

2411. Perhaps you will now direct your mind to the question of the doctors. You have already said that you think that doctors sometimes encourage patients to remain on the fund, when those patients think that they might go off, but you do not express any opinion whether they do so rightly or wrongly?—Quite.

2412. What about certificates?—You mean whether there is differentiation of the illnesses that do render persons incapable of work and those that do not?

2413. No; what I mean is the form in which you actually get the certificate?—It is the form laid down by the Insurance Commission.

2414. Do you get it properly or improperly filled up?—In the majority of cases improperly.

2415. What do you mean by that?—The space, in which we ask for the illness to be given, is left unfilled in the majority of cases.

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2416. Do you really say that?—Yes, I think so. I have not calculated it out, but I think so in the majority of cases.

2417. There is nothing written in that space?—Nothing whatever.

2418. What do you do in those cases?—It all depends upon what the original certificate was.

2419. You are talking about the continuation certificates, but what about the original certificates?—Generally, that is quite correct in form.

2420. And specifies, more or less, what the doctor supposes the patient to be suffering from?—In the majority of cases.

2421. You say that the continuation certificates are left blank?—Yes.

2422. What do you do in such cases?—It depends upon the nature of the disease. If it is "debility," we always inquire into the cause.

2423. By sending a sickness visitor?—Or by writing to the member asking for further details.

2424. Turning from that, have you had any trouble through positive refusal to state the nature of the disease?—A great many cases.

2425. Where you have known that the blank was owing to a deliberate professional reluctance?—Yes.

2426. How do you know that?—Because we have correspondence with the doctor concerned.

2427. Do you find that feeling still in existence?—Certainly, but perhaps not to a large extent.

2428. You are talking mostly of London?—No, strangely enough, that kind of trouble is not so much in London.

2429. Where is it?—In the country districts—Norfolk and Suffolk. We have four or five cases in Norfolk and Suffolk at the present time.

2430. Let us take that a step further. Is it, so far as you can gather, a general professional reluctance, or a reluctance that is due to some peculiarity about particular cases?—I should rather lay the reluctance down to the feelings of the individual practitioner.

2431. Is it a case of the practitioner saying, "I am responsible to my patient. I am not going to tell you whether it is a cold in the head"; or is it a case of the doctor saying, "I cannot state the disease in a certificate," because of some delicacy in the matter?—Usually in cases of that sort no reason is given. I cannot pass an opinion why they refuse.

2432. I understood you to say that cases are going on?—We have cases, but we have not elucidated the reason for the refusal.

2433. Have you written and asked the doctor?—Yes.

2434. Have you received any answer?—In most cases not and in some cases they ask what business it is of ours.

2435. Have you taken any steps in such cases?—In one case we took the matter to the Norfolk Committee, and the clerk asked me to withdraw it, saying that they had seen the doctor, and he had promised that it should not occur again.

2436. How many cases have you?—Where there has been a refusal after we have challenged the doctor? Not more than 10.

2437. Where there has originally been a refusal?—I should not like to say. A large number, running into some hundreds.

2438. Where you do challenge, you generally get an answer in the long run?—Yes, in the long run.

2439. What sort of an answer do you get? Is it that there may be a delicacy in putting it on the certificate?—It would be an answer in this way. A person might declare on for "influenza." For four weeks certificates would come in without anything about the nature of the disease. We should then write asking for details, and, after some pressure, the doctor would say "debility," giving no reason for having refused the nature of the disease. In only one single case has the doctor given as his reason the fact that he would rather not divulge it.

2440. Did he divulge it in the long run?—Yes, and it appeared to be "influenza."

2441. I understand that you have a membership of 67,000?—Nominally.

2442. What do you mean by "nominally"?—It is impossible to find out what one's membership is. The largest number of cards that we have sent in to the Insurance Commissioners is 61,000.

2443. Let us take it at 61,000. How many of those are in London?—Approximately one-half.

2444. And the rest?—They are scattered all over the four countries, but mainly in England.

2445. That means that your membership is very much scattered?—Very scattered.

2446. You might have greater difficulty in sickness visiting than some other societies?—Possibly.

2447. At any rate, you do find a difficulty?—In the provinces.

2448. And also with regard to medical referees?—Yes.

2449. In the provinces?—Very great.

2450. What is your difficulty? Why could you not in the provinces employ, at a fee, people outside the panel for that purpose?—For one thing, the mere mechanical difficulty of finding them. Take some village 10 miles from anywhere, and it is difficult to find a doctor.

2451. Of course, but there are people other than those who are employed in those places?—We do find them in the long run, but, perhaps, when we have found a doctor, he does not wish to take it up. It means a long delay, and meanwhile the insured person grumbles about non-payment.

2452. Surely that is a sort of difficulty which will disappear in time. You will, in course of time, be able to get a network of doctors willing to work all over the place?—Yes.

2453. You favour a general system of appointment of medical referees by some persons other than the societies?—Certainly.

2454. I think that you said that you have sent 30 people to medical referees?—I have not the record here at the moment, but I would say 30 approximately.

2455. Can you tell me roughly the result of those cases?—About 10 have been declared perfectly capable of work, and the other 20 still incapable.

2456. Have you any idea of the disease, or alleged disease, in progress in these 10 persons?—Nearly all of them are of the type of disease "anæmia," "debility," "influenza." Practically all our cases are of that nature, or else "gastric."

2457. Primarily your society is for domestic servants, but whom else do you admit?—No one. Female domestic servants exclusively.

2458. I am in this difficulty. Mr. Gordon has been good enough to put in a document, of which there are only three copies, setting out a number of cases in detail which have been sent to medical referees?—No, these are cases picked out at random from one day's list.

2459. With regard to certificates and such like things?—No, primarily with regard to the regulations issued by the Commissioners. They are illustrative of that.

2460. You can use them for what purpose you think fit?—They tend to prove my suggestion that there are insufficient means of diagnosis at the present time.

2461. I do not see what they have to do with the regulations?—They have excluded adequate means of diagnosis.

2462. I notice that the first begins with the medical referee's report. The second also begins with the medical referee's report, and tells us certain things were certified. I cannot at this stage circulate this document, but if you like to use it for any statement you can do so. It is no use my examining you upon this document, of which I know nothing. Would you like to develop what you have told us with regard to the regulations of the Commissioners?—Yes. The great majority of sickness benefit claims are for "anæmia" on the one hand, and "gastric troubles" on the other hand. Those cases, in my opinion, are improperly certified. They are cases in which it is fairly evident that there has been no proper

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diagnosis. For example, if I might quote, there is one case I have marked as "13."

2463. Perhaps I had better read it: "Member declared on the funds on August 3rd, suffering from dysmenorrhea and anemia; on September 8th, from dyspepsia and debility; on September 13th, from dysmenorrhea; on September 27th, from dyspepsia and debility; and on October 18th, from gastric catarrh and ovaritis." I do not quite understand what you base on that?—In the course of two months that person was certified as suffering from three or four different internal troubles, and it is extremely unlikely that she suffered from all of them. The inference, therefore, is that the precise trouble was not located, owing to the impossibility of any second opinion being obtained. Therefore, owing to the regulations, which directly exclude the possibility of any second opinion being obtained, that person, in common with hundreds of others, has not had her complaint properly diagnosed, and has not been adequately treated.

2464. Let us go by steps. On August 3rd she was certified to be suffering from dyspepsia?—That was the specified disease.

2465. And she was so certified by a doctor?—A panel doctor.

2466. That is a gentleman who has all the qualifications suitable for admission into the medical profession?—Presumably he had all the qualifications.

2467. What would cause him to certify something else?—I suggest that in all probability he had insufficient time at his disposal to investigate the case adequately. I suggest that in a case where he had to change his mind so frequently, there should have been the possibility of getting a second opinion on the case, but that possibility is directly precluded by your regulations.

2468. We quite see the point that you are trying to make about the regulations. On August 29th she was certified to be suffering from dyspepsia and a number of other things with long names?—Yes.

2469. On September 8th—this is a continuous illness—there is another certificate where some names are left out and others inserted. On September 13th he finally comes to the complaint with the longest name?—Yes. There is something further still.

2470. There is a fortnight between, and I assumed that perhaps she had gone off the fund?—No, it is a continuous illness.

2471. On September 22nd she suffers from some one of these three complaints and on October 18th—is that still the same illness?—Still the same illness.

2472. And on October 18th she is suffering from gastric catarrh and ovaritis?—Yes.

2473. Do you seriously ask the Committee on that to come to that conclusion?—Yes.

2474. I suggest that there is a very different explanation. What is the duty of a doctor when a girl goes to him, so far as you are concerned?—First of all to diagnose accurately her complaint.

2475. No, so far as you are concerned?—We are concerned in that we contract to give our members adequate medical attendance.

2476. The first thing which you have to consider is this: Is the girl, or is she not, entitled to sickness benefit?—Certainly.

2477. Supposing he gives her a certificate to enable her to make quite rightly a claim to sickness benefit and to enable you to pay it, that for the moment is all that is necessary?—For the moment.

2478. We should all agree that besides that he has got another duty which is both towards her and towards you?—Yes.

2479. He has got a duty towards her to get her better, and towards you one which is rather more commercial, to protect your funds by getting her well as quickly as he can?—Yes.

2480. Even if that means keeping her on your fund for some little time?—Certainly.

2481. We should all agree also that with regard to a number of complaints from which these people may be suffering they are outside the scope of the ordinary practitioner practising among the industrial, or indeed any other class of people?—Yes.

2482. We should agree therefore that it is very desirable, if they are to be got well and to be got off your fund, that further medical advice should be obtained?—Certainly.

2483. And that is what you suggest?—Certainly.

2484. At some period of this girl's illness the doctor should have had recourse to some other and greater authority than his own?—Yes, but I object to the words "greater authority."

2485. I do not mean to use any offensive words, but some person more able to form an opinion owing to his skill in the matter?—Certainly.

2486. The real question between you and anybody else is who is to pay for that further advice?—My only point is that she is not getting it.

2487. We are all agreed that she is not, and that it would be a good thing from her point of view and from the point of view of the society if she did. The only question is, who is to pay for it?—Yes.

2488. There is nothing else in it?—Except the fact that certain parties, we ourselves or the insurance committee, are under contract to provide it already.

2489. To provide what?—The full thing.

2490. Where do you find it?—In the Act.

2491. You cannot have it both ways. If you say that you have entered into a contract with this girl to provide this thing, that is one thing; but, if you argue that she is entitled to it under the Act, that is another thing?—I argue that a contract exists in which we are implicated.

2492. What it comes to is this: that you think that the Commissioners acting on whatever advice is open to them have taken a wrong view of the interpretation of the Act?—Most certainly.

2493. And you think that if they took another, which is your view, it would reduce the sickness experience? Nobody would dispute that proposition?—Very well, I am very glad to have established it.

2494. That is all it is?—Yes. I do not want to employ specialists in every case.

2495. Of course you do not. What you do suggest is that, if we could afford to pay for the more highly specialised branches of the medical profession, we should get more?—I suggest that if the medical benefit that was laid down in the Act were given there would be less sickness experience.

2496. Yes, I know, but I ask you to be good enough for the moment to consider that meaning of the Act as an arguable proposition, and, regarding it as an arguable proposition, we should all agree if your view were correct?—I did not know you did agree. I am very glad to hear that you do.

2497. I do not see that there is any argument about it. I suppose you would agree that if there were adequate means provided everywhere, for example, for sending people to convalescent homes, when recovering, the chance of their recovery permanently would be greater?—Certainly.

2498. And even on occasions I suppose by sending them away for their health?—I do not lay stress on that point.

2499. You admit probably that that would be all to the good?—Certainly, if you consider that part of adequate attendance.

2500. I am not talking about adequate attendance at all. That is all it comes to. You say that if something more were done, more good would be done?—Yes.

2501. And you also contend that the Act means something which the Commissioners contend that it does not mean?—Yes.

2501a. That is all there is about it?—Yes.

2502. (Miss Macarthur.) I notice that in rule 4 you state that those eligible for membership are domestic servants, sempstresses, waiters, or officials engaged in manual labour in private dwellings, clubs, restaurants, or lodging-houses. I think that you said in answer to the Chairman that your members were exclusively domestic servants?—Yes.

2503. Have you then refused applications from these other people?—Not since I have been secretary of the society, but I do not think that there have been

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any considerable number of applications from any other but domestic servants.

2504. Is it a fact, or are you aware, that charwomen, for instance, have been refused by your society?—I understand that they have, but not in my tenure of office.

2505. Can you tell us why?—I am afraid that I could not, as no cases have occurred since I have been secretary of the society.

2506. You say that your class of members is a very good one. There are of course great differences in domestic service. May I take it that your members are mainly drawn from the households where there are several servants?—That is so.

2507. I see the names of your Committee are stated in your Rule Book, and the committee includes the Duchess of Marlborough, Lady St. Helier and other ladies?—Yes.

2508. May I take it that those ladies are typical of the employers of the bulk of your members?—I think so.

2509. So that you have not a large proportion of members drawn from lodging houses or from small households where only one servant is employed?—A very small number of such servants.

2510. You have some?—Oh, yes, some.

2511. Have you any information that sickness amongst these classes is greater in proportion to that existing amongst other classes?—I think that it is possible. Most of the cases in London that we visit seem to be in quite poor neighbourhoods.

2512. I think that that is a very important point. You think that it is possible?—I should not like to make the point, but I think that it is quite possible.

2513. I take it that the bulk of your members are single?—Yes.

2514. Can you tell us what the proportion of married women is?—I cannot tell you what the proportion is, but the number of married women employed, and therefore entitled to sickness benefit, is approximately 1,950.

2515. That is about three per cent.?—Yes, that is about three per cent.

2516. Have you any idea what the average age of the married woman is?—The average is approximately 42.

2517. So that presumably you have a large number of elderly married women?—Mainly elderly house-keepers, caretakers, and the like.

2518. Have you had many claims for sickness benefit during pregnancy?—No, on the whole very few.

2519. Can you give us any idea how many?—I am afraid that I could not statistically, but I know that they are very few relatively.

2520. I have been very much interested in your replies to the Chairman in connection with medical treatment. I take it that while you feel that there are unjustifiable sickness claims, you attribute that not so much to malingering on the part of the insured, as to the defective medical treatment?—Precisely.

2521. That is your point?—That is my point.

2522. (Chairman.) Do you mind going further. I want to know what the witness means by "defective medical treatment."

2523. (Miss Macarthur.) You refer to the fact that you think there are insufficient means of diagnosis?—Yes.

2524. Could you go further and give us illustrations of what you mean by "defective treatment"?—"Defective" was your word. My own word would have been "inadequate" in degree. Apart altogether from inadequate treatment, we have a certain number of cases, possibly four, which have been directly refused as being outside the scope of the ordinary panel practitioner.

2525. I suppose that you have cases of eye troubles?—Yes, and sometimes nose troubles. They have already been ruled out of court.

2526. Would you allege that some of your sickness is directly attributable to the lack of specialist treatment as, for instance, in the case of digestive troubles?—Most certainly.

2527. You feel that if this additional treatment which, we all understand, you think ought to be given already were available, it would materially reduce your

sickness experience?—I think that in course of time it would materially reduce sickness of the type which I have mentioned.

2528. Can you give the Committee any other reasons than those you have already indicated for the very low amount of sickness of your society?—In the first place I understand that in the early days of the society, before I was the secretary, very great strictness was used in judging application forms, but personally I attribute it mainly to the fact that the members of our society are to a certain extent picked lives. They belong so far as we can see mainly to the big houses, where they are well cared for and housed.

2529. Do you think that it is possible that some of your members do not claim benefit when they are ill?—As to that I have had no experience. I surmise that that is true of maternity benefit, but I have no means of proving it.

2530. Would you doubt the likelihood of servants of that class still remaining in the homes of their employers, and receiving wages, and of their not thinking it worth while to claim sickness benefit?—I see no reason to doubt it, but so far as I am concerned, I have no reason to think that such likelihood does exist.

2531. (Miss Innes.) All the members of your society are women?—Entirely.

2532. And you have had no case of direct fraud?—None whatever.

2533. And yet you think that you are paying more than you really ought to?—Yes, but not so very much more. We have had a certain amount of unjustifiable sickness claims.

2534. And that is due to the misunderstanding of the principles of insurance?—I think that that is a very slight contributing cause.

2535. You mention that?—Yes, merely in passing.

2536. Then to what do you attribute it?—To the lack of adequate treatment.

2537. Have you any cases, in these instances you have given us, where the doctor does not seem to have the adequate skill, which have been referred to the hospitals open to such cases for special treatment?—I believe that is so in a great many cases.

2538. That is open to them here in London. You think that the appointment of medical referees will materially improve matters?—It would materially assist us administratively in investigating these cases.

2539. What you would really wish, would be the appointment of specialists?—I would urge the extension of medical benefit to provide that all forms of modern medical science should be put at the disposal of the insured persons.

2540. (Dr. Lauriston Shaw.) You recognise, I believe, that the people with whom you are dealing are a very special class?—Certainly.

2541. You recognise that a very great number of serious illnesses, to which ordinary labourers are liable, are really ruled out by the conditions under which your people live?—Certainly.

2542. Do you also recognise that there are certain forms of disease to which domestic servants are particularly liable?—Most certainly.

2543. Having got so far, do you you recognise that "anæmia," "indigestion" and various gastric disorders are very frequently common to domestic servants?—Oh, yes, certainly.

2544. I daresay that you are aware that "anæmia," particularly in domestic service, we regard as being caused by their having to live in underground apartments?—Yes.

2545. Therefore you would expect that your insured persons would claim very largely for such diseases?—Yes, we expected that.

2546. But you still think that you have got more than your share of them?—Yes, even of those diseases.

2547. You say here that one reason for thinking so is that sickness visiting shows that to all intents and purposes people are capable of work?—Yes, of course, that is from a layman's point of view.

2548. I just wanted to ask you whether you thought that you could rely upon the opinion of your sickness

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[Continued.]

visitors, as opposed to the considered opinion of the medical man in attendance on the case?—I would not suggest so as a general rule, but there are many cases surely in which a layman's opinion is worth having even on a medical question.

2549. Quite?—Particularly where the doctor has not seen the patient for some time.

2550. In those cases which you have actually put to the test of a medical referee, you have found in a certain number of cases that your opinion that the patient was unjustifiably claiming sickness benefit was true?—Yes.

2551. You have put it rather high in the evidence you submitted. You say "in most of such cases"?—I think that was one point which I said I would like to modify.

2552. You say in your evidence, "This opinion is confirmed in most of such cases by the examination of the member by an independent medical referee." It is really one-third, not quite "most"?—Yes, but perhaps I might interpolate here that the effect of that is discounted by my having said "in a certain limited percentage of cases."

2553. You now say that it has been found that one-third of the 30 referred to the medical referee should have been at work?—Yes.

2554. 20 out of the 30 referred to the medical referee were, as a matter of fact, told to continue on benefit, and did in fact continue?—Yes.

2555. Should I be right in supposing that on the whole you sent the cases most likely to be declared off?—No; unfortunately in many of the cases we had to submit, we could not get a medical referee.

2556. These were in London, and the insured persons were in the country?—Yes.

2557. You say that the unwillingness of the insured person to return to work is bound up in the attitude of the medical profession?—Perhaps I should say of a certain number of the medical profession.

2558. When a patient says, "I thought I should have declared off this week, but my doctor would not allow me," you feel that the doctor is necessarily making a mistake?—I do for this reason. I do not mean to insinuate that a layman could say that a person is now fit for work, but when a person is visited on the first of the month and the visitor reports, "This person seems to be fit for work," and when she is still on the fund in six weeks time, then I think that there is a direct inference.

2559. You think that when a patient says that a doctor has said something about her, you can always trust the patient?—Not always.

2560. I have found myself sometimes supposed to be responsible for saying things to patients I have not said?—Yes.

2561. They excuse themselves sometimes under their doctor?—Yes.

2562. In this case, No. 13, that you read out to the Chairman, and that indicated such want of skill on the part of the medical profession, have you had any medical advice as to the probability of the symptoms which are mentioned having all occurred in the same patient in the same few weeks?—No. I think that I should explain that I have brought in 19 cases of a similar nature.

2563. (Chairman.) You put me in a great difficulty if you say that you have 19 cases similar to the case of No. 13. Since you have put these cases in I have read them through, and I suggest that you ask the shorthand writer to take off the notes "they are all like No. 13," because they are not. I do not think that you ought in justice to yourself to leave that standing?—These 19 cases are the first 19 cases picked out at random from one day's post, so that I do not want to fight on No. 13 any more than on any other. I would like to take the whole lot together or none at all. The whole lot together constitute a strong case, as a representative lot from a day's post.

2564. You must make your choice. You must put in, or keep out what you think fit. If you want your evidence to be seriously regarded, you must either stand cross-examination on each one of the 19 or on

such ones as Dr. Shaw, Dr. Pearce, Dr. Fulton or Miss Ivens chose to select for the purpose?—Yes.

2565. I do not think that it is quite fair to the Committee to tell them that they are all similar cases, because with great respect they really are not. Some of them are widely different?—Yes.

2566. May I refresh your memory? There is one in particular to which I want to draw your attention. It does not bear any resemblance to that which you are suggesting. There is one, the point of which is that the doctor had never seen the patient when he gave the certificate. You will not suggest that his not seeing the patient is due to any regulations of the Commissioners? I submit that the case in question,—I cannot lay my hands upon it at the moment, but that is the fact?—No. 18.

2567-8. I am much obliged to you, "On the case being visited, the fact was revealed that the doctor who had signed the certificate had never seen the patient"?—That is only the postscript. The first part stands.

2569. You really must take the thing seriously, or not at all. I understand you seriously to come before the Committee and say that owing to the fact that specialists' services are excluded from the scope of medical attendance, which fact you suggest is due to the wickedness of the Commissioners, you do not get proper treatment from the ordinary panel practitioner?—Yes.

2570. That is a serious statement, and if you are going to support it, you ought to support it seriously?—Yes, I should like to support it by putting in the whole of the 19 cases.

2571. Very well, let us have them all in and go through them all. In that case I think, perhaps it would be convenient if we adjourned now, and if each member of the Committee had a copy for the purpose?—These cases are not in any way selected.

2572. Quite so?—If you cross-examined me on each one you might find every one weak, but the cumulative effect would stand.

2573. Yes, I have heard a great many cases supported by that kind of evidence, but surely there is an answer to that, and that is that the chain is no stronger than its weakest link. That is a matter of argument. If we are going to do that, it would be most convenient to have an opportunity of looking through this this evening.

2574. (Dr. Lauriston Shaw.) Yes, I will leave that particular part of this business altogether, but I should like to go on to the supposed incapacity of the medical practitioner to deal with these cases, and the necessity of a second or specialist's opinion in a large number of cases?—Does not that depend upon this chain of cases. That is how I am prepared to support that opinion, on this chain of cases.

2575. I do not think that you will be able to get much out of this chain of cases, because to you they are only a chain of names of diseases?—I happen to be a doctor's son myself.

2576. (Mr. Davies.) I take it that Mr. Gordon is going to prove to us his point with regard to the diagnosis, because I have two or three questions which I should like to ask him.

2577. (Chairman.) There are two quite distinct things. Mr. Gordon is quite entitled on the one hand to submit that specialists' services ought not to be struck out of the medical treatment provided under the Act, and that if they were not, the sickness experience would be lower, and also on the other hand that the ordinary panel doctor is an incompetent person?—I do not propose to prove that.

2578. But it occurs to me, with great respect to him, that he is submitting evidence directed to the second when it purports to be directed to the first.

2579. (Mr. Davies.) That is the point—with regard to the diagnosis—in which I am most interested.

2580. (Chairman.) Yes, that is a matter of great importance to us, whereas the other is a point of law more suitable for discussion in Parliament or elsewhere. You follow me?—Perfectly.

2581-2. (Dr. Lauriston Shaw.) I should like to take Mr. Gordon upon these cases to-morrow when

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everybody has a copy of them. Meanwhile I should like to ask him two or three questions before we adjourn. I am taking him over the points which he makes in his *présis* of evidence. He tells us that in every case where it is considered that a medical certificate has been improperly given the appropriate Insurance Committee is communicated with?—Yes.

2583. What result, if any, has happened in those cases?—Some are *sub judice*. In one or two the doctor has apologised. In one or two the insurance committee has considered that there is no complaint against the doctor.

2584. And you say that you have had cases probably amounting to some hundreds in which different names have been given to the complaint every week?—I did not mean to suggest that if a person is on the fund for 26 weeks, 26 different names are given; that was perhaps my faulty grammar. I mean similar cases to these.

2585. In which different names have been given?—Different names are constantly being given.

2586. You do not mean to say every time?—Certainly not.

2587. You say that it seems obvious from this that the panel practitioner, by his hasty examination, has been unable to locate precisely the cause of the trouble. Have you any knowledge that the examination in any particular case was necessarily hasty?—Of course I could not prove it, but many letters have been received

from members on this point, and I gather that it is usually a matter of hasty diagnosis. It is also a fact that it is common knowledge.

2588. (*Chairman*.) I do not think you ought to tell us that something is common knowledge.

2589. (*Dr. Lauriston Shaw*.) The domestic servant, from the nature of her employment, might sometimes be incapacitated by an illness which would not incapacitate a woman working in a factory?—No, I confess that point has not occurred to me.

2590. A parlourmaid has to have somewhat of a respectable appearance, and she might be incapacitated by some disfiguring rash on her face?—Yes.

2591. Would you in that case regard it as reasonable that she should go on sickness benefit, although if she had happened to be a factory hand she might have gone on with her work?—It is a point on which I would rather not give an opinion.

2592. If you found a certificate which communicated to you the fact that this girl was only suffering from some disfigurement of her face, lupus or something of that sort, would you send that case to a medical referee?—We had a similar case, and the committee declined to pay benefit.

2593. Although her master and mistress would on no account allow her to continue her work?—Yes, she was suffering from some discolouration of the face. There was no suggestion that her health was affected.

The witness withdrew.

FOURTH DAY.

Thursday, 23rd October 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT:

SIR CLAUD SCHUSTER (*Chairman*).

Mr. WALTER DAVIES.
Dr. ADAM FULTON.
Miss M. H. FRANCES IVENS.
Miss MARY MACARTHUR.
Mr. WILLIAM MOSSES.
Dr. JAMES PEARSE.
Dr. LAURISTON SHAW.

Mr. A. C. THOMPSON.
Mr. A. H. WARREN.
Mr. A. W. WATSON.
Dr. J. SMITH WHITAKER.
Miss MONA WILSON.
Mr. WALTER P. WRIGHT.
Mr. ALEXANDER GRAY (*Secretary*).

Mr. ALBAN GORDON further examined.

2594. (*Dr. Lauriston Shaw*.) Before starting on the cases to which you have referred, there are one or two points in the abstract of evidence which you have submitted, to which I would like to direct your attention. In your first paragraph you state that there is a large number of cases in which no satisfactory medical reason is advanced for the member's state of health?—Yes.

2595. I do not quite understand what you mean by that; is it that a cause of the disease is not indicated?—I mean that there is no reference to any specific disease or bodily or mental disablement. In many cases there is no statement whatever given of the nature of the disease. The certificate is left blank in many cases, or we only find debility or general debility, which, I take it, is the effect of disease rather than a specific disease itself.

2596. You do not wish to take the point that you could not accept a certificate unless there was what we call an organic disease, as opposed to a functional disease?—I take it that if a specific disease or bodily or mental disablement exists, the doctor must give either the name of some organic disease, or some reason for the bodily disablement. I take it that you

could not give a certificate that a person is incapable of work owing to incapacity for work, which is in effect what many of our certificates are.

2597. I was wondering whether it is your feeling that a certificate which only mentions what we call functional disease, such as dyspepsia, would not be a sufficient medical reason?—Personally, I should accept dyspepsia as being sufficient to account for a short illness. If the illness is prolonged for 20 weeks, it is a different matter.

2598. Your definition of functional disease is one which is of short duration?—I cannot define functional disease, which is a matter of medical opinion.

2599. You will admit that there are diseases which you have to accept for which there is no organic lesion?—Certainly.

2600. In another paragraph you say "I am advised"—in reference to cases of simple anaemia. Have you in your society any whole-time or part-time medical officer, who really does advise you upon medical matters?—At the present time we have no official medical adviser, but cases are sent to several doctors in London. There is one London surgeon with whom

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I am personally acquainted, whom I have consulted unofficially on a good many medical questions.

2601. Have you sought his advice with regard to these cases which you have brought before us to-day?—Not as to these cases in particular, but in general terms as to the fact given in the last page of my abstract.

2602. In these cases which you mention the doctor's name is not given to us?—No, nor the member's name.

2603. Can you tell us whether the doctors who signed those certificates are doctors under agreement with the insurance committees?—I think that in all these cases they are panel doctors.

2604. You will accept a certificate from doctors other than panel doctors?—Certainly.

2605. You have accepted certificates from doctors who, you recognised, were not doctors on the panel?—We accept any doctor's certificate.

2606. Therefore, unless you go through the list carefully from that particular point of view, it is not possible to assert with confidence that none of these doctors is a doctor who is not on the panel?—I could not assert it as to any definite case.

2607. There is another point of general interest. In one case which you give us you say quite clearly that all the certificates are not signed by the same doctor?—I think all these cases are.

2608. In one case you state specifically "the doctor who signed the last certificates had not seen the patient"?—It is the same doctor who certified all through, but he had not seen the patient for a certain period.

2609. I think we agreed yesterday that domestic servants were particularly liable to certain diseases, more liable to them than others on account of their environment?—Yes.

2610. To anæmia, because very often they live so much downstairs?—Yes.

2611. And to dyspepsia, because of their irregular habits with regard to diet?—Yes.

2612. We agreed that that is a particular liability of domestic servants. Take the first case submitted by you, in which we find that a patient is troubled for nine weeks in this way with debility, anæmia, and dyspepsia. The medical referee in his report says: "She is well built, well nourished and healthy looking girl. I could observe no sign of debility or anæmia. Dyspepsia presents only subjective symptoms, and if present, would not in my opinion unfit her for work. Her pulse was normal and of good quality; her heart has been pronounced to be sound." This is not a case on which you would rely in making the statement that owing to the different diagnosis given on each occasion the doctor evidently does not know what is the matter with the patient. I think that that was one of the points on which you base this case?—I think this case does come under this category.

2613. Not on account of a different diagnosis every day?—The first certificate might have been given for debility. These things were grouped differently.

2614. (Chairman.) What was it, in fact, given for?—It was, in fact, given for a different combination of things in different weeks.

2615. (Dr. Lauriston Shaw.) There is a difference of opinion between the referee and the medical attendant as to whether dyspepsia is a cause for which sickness benefit should be given?—I do not think that that is the only point at issue.

2616: It is a strong point. You bring forward the statement of your referee, "dyspepsia presents only subjective symptoms"?—Dyspepsia in this case; it does not mean dyspepsia in general.

2617. This referee saw her nine weeks after the other doctor had already diagnosed her case?—He saw her one week after the other doctor had diagnosed her as suffering from dyspepsia.

2618. You would be inclined to take the opinion of the doctor who is in the financial interests of the society?—I do not think that that prejudices us in the slightest degree.

2619. The first doctor thinks that she has debility and anæmia, as well as dyspepsia, and the second doctor says that he could discover no sign of debility

or anæmia, and that dyspepsia is only known from what the patient tells him. There is rather a difference of opinion between the referee and the other doctor. The next case which you submit shows the other aspect, that is, that at the time the medical referee saw the patient there were conditions which the medical attendant did not report to you. This is a case in which the medical attendant stated that the patient was suffering from pleuritis. The referee said she was suffering from pleurisy, which is the same thing, and tubercular disease. I would suggest to you that it is quite probable that the medical attendant did not mention tuberculosis upon the certificate in the interests of the patient herself?—That may be possible, but what occurred to us was that it was a rather extraordinary thing for a woman to be declared on the funds for dyspepsia, and ten days afterwards when medically examined by the referee was found to be suffering from tuberculosis.

2620. You would not recognise that dyspepsia is very often an early and pronounced symptom of tuberculosis?—Then the first certificate was obviously incomplete, which opens further ground for complaint.

2621. Is it not possible that the patient's disease was incomplete, and that it was not possible to diagnose it at the moment?—Eight days previously—in that I defer to your opinion. But in view of the fact disclosed in the medical referee's report that the patient had a pronounced angular curvature, due to a former tubercular disease of the spine, there should have been indications of tuberculosis.

2622. Tuberculosis in the lung might be very recent. Her health would not render her incapable of work, and therefore it would not be necessary for the doctor to specify it. The next patient whose case you have submitted was certified for the two conditions of dyspepsia and anæmia. The member declared on the funds on 20th June, certified as suffering from dyspepsia. A certificate was continued in this form until the 29th August when the nature of the illness was given as anæmia. On September 13th the member was certified as suffering from gastralgia. I do not know whether we are agreed that while these diseases are common to domestic servants, they are constantly associated in the same person—you will take that from me?—Yes.

2623. Therefore it is quite likely that this week the dyspepsia symptoms may be more prominent and next week the anæmia symptoms may be more prominent?—I take it that that indicates that some further trouble is present, and if both are symptoms—

2624. Do you recognise that dyspepsia and gastralgia are merely names for symptoms?—Yes, so I understood.

2625. And that gastralgia is pain in the stomach and dyspepsia means defective digestion?—Yes.

2626. Therefore there is no marked difference. In the one case they use a Latin name, and in the other case they use a Greek name?—Yes.

2627. In the next case we have the same thing. Here the member declared on the funds on 14th August suffering from dyspepsia. On the 6th September a certificate was given for anæmia; on the 13th September for "pain in stomach—worse after meals"; on the 20th September for anæmia; on the 27th September for gastric catarrh; on the 4th October for gastritis, and on the 11th October for indigestion. When domestic servants have this combination of dyspepsia and anæmia, sometimes they draw attention to one and sometimes to the other. It must be quite obvious that gastric catarrh, gastritis, and dyspepsia point to the same condition?—To the same complaint, precisely. That is my point.

2628. Take the next patient, number 5. In this case the member declared on the funds on 27th June certified as suffering from debility. Certificates were given in this form until 25th July when she was certified as suffering from "debility, &c." On September 12th the certificate was given for neurasthenia. A query was sent to the doctor on October 14th; the doctor refused to give further particulars. Here again we have the question of two words, one Latin and the other Greek, words which describe functional conditions which, I think we have agreed, may sometimes render patients incapable of work. The amount of debility

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or neurasthenia is not indicated, but you would agree that nervous weakness may be sufficient to prevent a patient from working?—Certainly.

2629. Is it not the contention here that the doctor, having used the word debility, if he had recognised that he had written it on the former certificate, ought to have used it again?—I do not agree with that suggestion.

2630. Would you say that you do not think it possible that the doctor might use the term without any evil intent? Would it be a possible answer that the doctor might quite honestly one day say the patient was suffering from debility and another day say she was suffering from neurasthenia without any neglect of his duty?—No, I do not think so.

2631. It might possibly confuse you?—No, because I infer that he has not yet made up his own mind as to what the patient is suffering from.

2632. You do not recognise that the use of the word debility or neurasthenia is entirely optional? Do you know anything about the difference between debility and neurasthenia, or their resemblance?—I think so.

2633. In the next case the member declared on the funds on 1st August certified as suffering from phlebitis. Afterwards it was ascertained that she was confined on this day. You would not say that the doctor was incapable of distinguishing between phlebitis and pregnancy?—No. This is an entirely different case.

2634. You are putting this forward to prove a particular point?—General inadequate diagnosis and treatment.

2635. Do you think that this indicates that the doctor did not know that the patient was pregnant?—No. But he did not treat her properly by the statement included in the certificate.

2636. You think it impossible that the patient should have phlebitis and be pregnant at the same time?—I am sure that a person cannot suffer from phlebitis on the day of confinement so as to render her incapable of work.

2637. It is extremely probable that she could?—It is a question which is the permanent incapacity.

2638. It did not say that it was the permanent incapacity here. In the next case you have put forward, you have a particular string of diseases between 12th of June and 15th of September. The member declared on the funds on 12th June certified as having been suffering from paralysis. She was certified on September 15th as suffering from neurasthenia?—The certificate given on the 15th of September was given to supplement a period when no certificate was given. It was a continuation certificate. It certified that the patient has been suffering from neurasthenia from June 12th to the present day. It was a period when the certificate was mislaid.

2639. Do you think that it is incompatible with the possibilities of the case that the patient might have functional paralysis as the result of neurasthenia?—I dare say it is possible.

2640. I come now to the next case, which is a rather different type of case, one in which one might imagine that the doctor was indisposed to give you the information you wanted. The patient received two weeks' sickness benefit in June, certified as suffering from general debility. She declared on the funds again on 22nd August, certified as suffering from "illness." The doctor refused to give further particulars. Pressure was brought to bear on the doctor by the insurance committee, and the doctor altered the certificate to debility. On being further queried, the certificate was altered to influenza. Further particulars were refused. You do not claim this as an indication of ignorance of the doctor, but of irritability?—It might be due to either, I could not say which.

2641. You think it possible for the doctor to distinguish between these various matters. I put it to you, you have had instances of doctors who have been irritable and indisposed to answer your questions?—Yes.

2642. And the symptoms have sometimes shown themselves in the form of a certificate?—Yes.

2643. I put it to you whether it might not be so here?—It might be.

2644. In the next case the member was certified on 15th August as suffering from chronic indigestion; on 5th September from debility; on 11th September from debility following influenza; and on 25th September from chronic indigestion and debility following pneumonia. This case may undoubtedly indicate some confusion, perhaps, in the doctor's mind or inability at the particular moment to be quite sure of what the patient is suffering from?—Yes.

2645. You would not disagree with me if I suggested that some of the most able physicians in London, or in the world, are frequently unable to make a confident diagnosis of the patient's disorder?—I quite agree.

2646. In case No. 10 the member was certified on 27th May as suffering from pulmonary tuberculosis and pleurisy. Certificates continued unchanged until 4th August, when she was certified as suffering from gastric catarrh; and on September 5th a certificate was given for gastritis and debility. It is not impossible that a patient who was suffering from phthisis may have so far recovered from her phthisis as to make that no longer a necessary point to put in a diagnosis, whereas many more obvious symptoms of indigestion might be the cause now of her disablement?—I think that is possible.

2647. In the next case the member declared on the funds on 5th July, certified as suffering from anæmia and debility. On 21st August the certificate was given for otitis media and anæmia; on 26th September for debility and middle ear disease; on 25th September for anæmia and debility; and on 6th October for otitis media. Here is, again, a case in which I think you would admit the possibility of the patient's having two or three diseased conditions at the same time. Suppose that one disease should be inflammation of the ear and another should be anæmia, you do not question that they can occur together?—No.

2648. Do you understand what otitis media is?—I understood that it was inflammation of the middle ear.

2649. In the next case a member was certified on 15th August as suffering from pulmonary catarrh. This form of certificate was continued until 11th September when the certificate was given for dyspepsia. On the 25th September she was certified as suffering from gastritis, and on the 17th October she was again certified as suffering from dyspepsia. Here a member who was suffering from pulmonary catarrh in August was later on suffering from dyspepsia. Do you claim that this is an instance of inaccurate diagnosis?—I suggest so.

2650. You think that the doctor mistook the bronchitis for the dyspepsia?—I suggest that the doctor was not quite certain of what the patient was suffering from.

2651. You do not think it possible that she could be suffering from the two things?—It is possible, but I think that the other is equally possible.

2652. In the next case the member declared on the funds on 3rd August suffering from dyspepsia. On the 29th August she was certified as suffering from dyspepsia, dysmenorrhœa, and anæmia; on the 8th September from dyspepsia and debility; on 13th September from dysmenorrhœa; on 27th September from dyspepsia and debility; and on the 18th October from gastric catarrh and ovaritis. You know what dysmenorrhœa is?—Yes.

2653. Painful monthly periods?—Yes.

2654. And ovaritis?—Yes, inflammation of the ovaries.

2655. And that might be the cause of painful monthly periods?—Yes, but equally there is a possibility of internal complications that are not yet diagnosed, and the certificate for ovaritis was not given until two months after the first certificate, the inference being that it was quite possible on the 3rd of August, when the patient was diagnosed as suffering from dyspepsia, that she then was suffering from ovaritis, or disease of the internal organs.

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2656. It has been suggested by a medical member of the Committee that it would be, perhaps, in a good many cases, an advantage to get a second opinion. What, in your opinion, is the duty of a practitioner attending an insured person if he discovers that she is suffering from a condition which he thinks requires a second opinion?—If an insured person requires a second opinion, I think it his duty to point out to her that she could have such an opinion by paying for it, or, if possible, to induce her to take advantage of other persons' payments by sending her to hospital. It would be his duty to advise her.

2657. You recognise that?—Yes.

2658. You do not recognise yourself any duty, if you thought one of your insured persons was not being advised that you should suggest to her that she should obtain such advice?—I should not like to suggest that.

2659. Have you any knowledge of any of your insured persons having obtained a second opinion?—Yes, in many cases.

2660. Are you quite sure that none of these cases put before us have obtained a second opinion?—I have no knowledge on the point.

2661. Would you think it not inconceivable that this patient who was suffering from dysmenorrhœa in the early stages had in the interval been in the out-patient part of the hospital, and that communications had been made from the out-patient department to the ordinary doctor. Is that a case that one finds?—I think that it is possible.

2662. You would not think in those circumstances that your patient was being neglected?—I would think that she had received adequate treatment elsewhere.

2663. And that your sickness claims were not being increased by the inadequacy of her treatment?—They were being increased by the previous inadequacy, but they had been reduced by external treatment.

2664. In the first instance you think that this patient ought not to have gone to the practitioner with whom she made an agreement?—I do not suggest that.

2665. At what period do you think it would be necessary for her to seek this second advice?—I could not suggest that.

2666. Do you suggest to us that she ought to have gone sooner than she did?—We do not know that she did go at all.

2667. But she might have gone?—And it seems to me that she might have gone with advantage earlier.

2668. I do not quite see why you say earlier?—From the 3rd of August to the 18th of October is a long time, and if it was not discovered until then that she was suffering from ovaritis, the inference is that she was having inadequate treatment for over two months.

2669. (Chairman.) It is very difficult to deal with that kind of thing. You tell us that you do not know anything about these things. We and you are only laymen. We know the long names of these diseases; that is all we do know. Are you really tendering to the doctor expert advice as to what it was necessary for women to do in these circumstances?—I am only giving the point of view for which he asks.

2670. He is bound to ask these questions because of what you have stated in evidence?—But I am bound to answer them.

(Chairman.) Of course, but I should have thought that there were different ways of answering them.

2671. (Dr. Lauriston Shaw.) In the next case the member declared on the funds on 15th September, certified as suffering from "febrile." On the 21st September a certificate was given for tonsillitis, on the 28th September for colic and febrile, on the 5th October for colic and debility after pyrexia, and on the 13th October for tonsillitis. You know what febrile means?—Yes.

2672. Feverish, with a high temperature?—Yes.

2673. Would you regard that as a reasonable statement on a certificate?—Yes, though the adjective is filled in instead of the noun.

2674. Would you recognise that it is sometimes impossible to discover anything except that the patient

is febrile and that the cause is indistinguishable?—Yes.

2675. And a week later it was discovered to be tonsillitis; that is what happened in this case?—Yes.

2676. Then it goes on, the patient made a recovery from her tonsillitis, and later she had a recurrence of it. All those things are of common occurrence in medicine?—

(Chairman.) Mr. Gordon cannot know what is a common occurrence in medicine. I quite agree you are in a great difficulty, but we are in this difficulty. The witness puts forward a particular state of circumstances as justifying him in making a statement, and when you come to examine those circumstances you find that nobody can draw inferences from them unless equipped, as you are, to draw medical inferences, and knowing something about it.

(Dr. Lauriston Shaw.) All those cases are alike. I don't know whether it is worth while taking the witness over it.

(Chairman.) I only want to point out that you must not cross-examine as if he were a doctor of medicine.

2677-80. (Dr. Lauriston Shaw.) No, I have discovered that he is not, but if you will allow me I will ask one more question in medicine. In the next case the member declared on the funds on 17th July, certified as suffering from mitral disease. The certificate was continued in this form until 6th September, when member was certified as suffering from morbis cordis. On the 4th October, certificate was given for tonsillitis, which changed again on the 15th October to morbis cordis. Do you recognise what morbis cordis is?—Yes, a morbid state of the heart.

2681. Mitral disease is the same thing?—Yes.

2682. In case No. 16 the member declared on the funds on 4th October certified as suffering from acute dyspepsia. On the 11th October a certificate was given for indigestion, and on the 18th October for "pyorrhœa alveolaris; extraction of all teeth, severe gastric disturbance, ulcer of stomach, septic intoxication, " &c." You would not claim that the doctor had really never diagnosed the ulcer of the stomach?—The typist here unfortunately missed out one important thing, a mark of interrogation which shows that the doctor was unaware of what happened to the patient.

2683-4. In the next case the member declared on the funds on 23rd September certified as suffering from gastric catarrh. On the 29th September a certificate was given for dyspepsia, which changed again on 6th October to gastric catarrh, while on 13th October she was certified as suffering from colitis. This again is an example of this alimentary trouble which is so common. Would you agree with that?—Yes.

2685. The next, No. 18, is a case as to which everybody will agree there must have been a very unusual state of affairs. The member declared on the funds on 16th June certified as suffering from laryngitis and general debility. This was continued until 23rd July, when the member was certified as suffering from meningitis. Certificates were continued in this form until 8th September, when the certificate stated "anæmia and weakness following illness of last certificate." On 16th September the certificate changed to "nervous complaint." Further, on the case being visited, the fact was revealed that the doctor who signed the recent certificates had not seen the girl at all. The sequence of events was quite unusual. But I do not think you will disagree with me when I assert that it is perfectly certain that the doctor in signing certificates without seeing the patient must have been careless?—I agree with you.

2686. In the last case the member received nine weeks sick pay on account of anæmia. The visitor in her report says, "The doctor seems to have told her to 'remain out of work for three months. She does not 'show anything the matter, is stout, and looks well. 'Something more explicit of her state of health should 'be got from the doctor. Declares that she does not 'feel able to work.' This is a case of a discrepancy in opinion between the doctor and the district visitor?—Yes. I put it in to back up the suggestion which I

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put in the *précis* of my evidence, that frequently a patient wishes to resume work, and is not allowed to do so.

2687. There are a great many cases of anæmia. The last point I would like you to tell us is this. You say "simple anæmia rarely renders a person 'incapable of work for from eight to eighteen weeks'?"—That is not of course my statement.

2688. You do not know it of your own knowledge?—No, but I understood that exercise was one of the modes of treatment for anæmia.

2689. On the stairs?—

2690. (*Dr. Pearce.*) You have 65,000 members. Can you tell us the number of insured persons who have been on your sick funds?—About 4,500 persons have been on the funds.

2691. You have given the average age of the married members as 42 years?—Yes.

2692. What is the average age of the unmarried members?—31.

2693. You think that that is the average age of unmarried domestic servants?—Of the whole membership.

2694. But what is the average age of the unmarried?—It will not differ very much from that, because of the 65,000 members, they represent 63,000.

2695. Is your impression that the excessive sickness, which you claim to exist, is for periods of short illness or long illness?—Long illness.

2696. You stated yesterday that the majority of continuation certificates were improperly filled in: do you still adhere to that?—Yes. Of course I have never worked it out. I am simply speaking from the experience I have had in handling them.

2697. You also said yesterday that you had a refusal to state the nature of the disease in hundreds of cases?—Yes.

2698. Do you still adhere to that?—In what form did I make that statement?

2699. That there was a refusal to state the nature of the disease on the certificate in hundreds of cases?—Yes. I adhere to that.

2700. You have had 4,500 persons on the funds: do you say that in the case of hundreds of those there was a refusal to state the nature of the disease?—Yes, probably the exact number would be about 200.

2701. That is hardly hundreds?—I did not purport to give an exact number yesterday.

2702. Your continuation certificate requires that the nature of the disease should be stated each week?—Yes. I put in a copy of the certificate yesterday.

2703. You state in your outline of evidence that the main reason for thinking that there is excessive sickness is the number of cases, amounting approximately to 20 per cent. of the whole, in which no satisfactory medical reason is advanced for the member's state of health. What do you mean by "no satisfactory medical reason"?—That was the point I thought I made, where it shows debility, general debility, and nothing else.

2704. You do not suggest that 20 per cent. of the cases have been debility?—No, but things of that nature, cold, chill.

2705. Do you include anæmia among the unsatisfactory medical reasons?—No.

2706. Do you include influenza as an unsatisfactory medical reason?—If it is for more than eight weeks, yes.

2707. With anæmia and acute influenza excluded you still state that no satisfactory medical reasons were given in 20 per cent. of the cases?—I will not guarantee the 20 per cent., but approximately it would be 20 per cent.

2708. (*Chairman.*) Do you mean the continuation or the original certificate?—The continuation certificate.

2709. (*Dr. Pearce.*) You say: "the conclusion is unavoidable that in a certain number of cases the 'sick person has been encouraged to remain on the 'funds of her society by her medical attendant.' What do you mean by encouraged?—That is the kind of case where the patient professes herself well, but says that her doctor tells her that she should have another

three weeks. I am bound to say in some cases, though this is only supported by the word of the patient, that the doctor has used the words "from the funds of the society."

2710. You do not question that the doctor's opinion may be right?—No, I do not.

2711. You say that a large number of certificates of incapacity are given for trivial complaints, as, for instance, the removal of corns. Do you think that a housemaid, who had had several corns removed from her feet, would be able to do her work?—I consider that it might quite conceivably be a cause of incapacity for work, but in such a case there should be some slight explanation on the certificate, such as the removal of several corns or severe corns.

2712. Coming to the other instances which you give, the extraction of teeth may very well render a person incapable of work?—Certainly.

2713. And you realise that mosquito bites may produce intense inflammation?—Yes.

2714. You say that all cases of influenza, anæmia, dyspepsia, and indigestion are queried after three weeks?—Yes. The certificates are brought down to be scrutinised by me.

2715. What further procedure is there?—It depends on the certificates. If the certificates are all in order, take anæmia first, that is simply passed over. It is again queried in a few weeks, when we see how the patient is progressing. Anæmia is practically never queried, or any action taken until after at least six weeks, but with influenza, debility, dyspepsia, and indigestion, after the third week; if the continuation certificate is filled in week after week there is always written to the patient a letter, which can be shown to the doctor, asking him in future, when filling up the certificate, to be kind enough to give us some information as to the primary cause or nature of the debility, or whatever the disease may be.

2716. Do you limit your queries to those diseases?—Not entirely.

2717. As regards these diseases which you specify, is it a definite rule that after three weeks they will be queried?—No. There is no regular rule, but it is a generally understood practice.

2718. Do you think that any advantage would be gained if in all cases, say, after a period of three or four weeks the sickness visitor and the medical attendant were asked to furnish a special form of report?—I do not think so.

2719. A special form with more detail, stating how long the person was likely to be on the fund?—It might be.

2720. You do not think it would affect it much?—I do not think so.

2721. Then you say that in every case where it is considered that a medical certificate has been improperly given, the appropriate insurance committee is communicated with; what do you mean by improperly given?—If it is post-dated. That is the commonest one.

2722. When there is a post-dated certificate, you refer it to the insurance committee?—Yes.

2723. Is that the only illustration of what you mean by improperly?—No, I have referred to the insurance committee one of these cases, No. 8.

2724. How many cases have you referred to the appropriate insurance committee?—Not very many; not more than a dozen or twenty.

2725. Mostly questions of ante-dating or post-dating?—Yes.

2726. Do you realise that a doctor, who ante-dates a certificate, may do so in quite good faith?—We do not refer ante-dated certificates, only post-dated. The ante-dated certificates we only query that we may find out the circumstances.

2727. I do not quite understand the exact nature of your protest against the regulations of the Commissioners: whether your attitude on this question is a question of your views as to the insufficient competency of the panel practitioner, or of the absence of specialist services under the Act?—To a certain extent both. It seems to me that the panel practitioners in many cases have not adequate time to give to their work, and

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in the second place there is no service whatever to supplement their work.

2728. What procedure would you suggest for further services?—Do you mean a general scheme?

2729. I do not want a long outline. Just briefly say what you would suggest should be done?—I would suggest that the existing medical benefit should be merged in a State medical service, but if the medical benefit continues as it is, I would recommend that it should be supplemented by whatever form of additional services and medical consultations may be necessary, with some centre such as tuberculosis dispensaries for some of the work which the hospital to some extent now supplies.

2730. Do you think that the insured persons would, in all these cases which you have given as illustrations, be able to go on their own initiative to a specialist centre?—No. We would have them sent by the panel doctor.

2731. Your work is mostly in London?—Half of it.

2732. It is all in the large towns?—No, strangely enough, not.

2733. Do you suggest that in London now there is any difficulty in a panel doctor referring a patient to specialist service?—As part of the medical benefit, yes. In practice I would not say. I do not know the regulations of the hospitals sufficiently.

2734. Honestly do you think there is any difficulty in a panel doctor referring an insured person to a specialist service at the present time in London?—Yes, I think there is a difficulty. We have had cases of it. I do not know what it is due to. I can quote a very bad case now where specialist service was necessary and not available.

2735. You have not a very high opinion of the competence of the panel practitioner?—I look at it in this way, there must be *ex hypothesi* a number of practitioners on the panel who are below the average.

2736. I will not take you on that. Your insured persons are very largely drawn from the better houses?—Yes.

2737. Do you think there is any unwillingness on the part of the mistresses to have the panel doctors introduced there?—That is true to a certain extent.

2738. Is the work of the panel doctor in these cases made easy or difficult?—I would not like to say. I have no knowledge of it being impeded or assisted by the mistresses' attitude.

2739. (Dr. Fulton.) You call your society the Domestic Servants Insurance Society?—Yes.

2740. It is not called a friendly society?—It is a friendly society.

2741. You employ visitors to visit your insured members?—Yes.

2742. These visitors are paid out of the funds of the society?—Yes.

2743. In other words out of the members' funds?—Yes.

2744. What is the chief motive of the visitor?—To inquire into the health of the patient. Sometimes they are sent to suspected and doubtful cases, and sometimes in cases where members are seriously ill to see if they can render assistance.

2745. Do they at the same time inquire into the environment of the maid?—They always report about that.

2746. Do they examine the scullery and the kitchen in which she works?—No.

2747. Or the bedroom in which she sleeps?—No.

2748. Are not your houses all good houses?—No.

2749. Do all servants in good houses sleep in good bedrooms?—I would not like to say.

2750. You do not know of your personal knowledge?—I do not know of my personal knowledge.

2751. Do your visitors make enquiries to see that the directions of the doctor are carried out?—I think so.

2752. Is there any difficulty, so far as the reports go, in the maids getting suitable diet when suffering from these dyspeptic troubles?—I have not had that point raised.

2753. So far as you know the visitors make no such inquiries?—They make general inquiries as to what kind of diet is taken.

2754. You have no reports about diet?—In occasional cases, not as a general rule.

2755. When one of these maids is ordered three or four pints of milk a day, have you had any reports to show that they have had a difficulty in getting it from their mistresses?—No reports.

2756. It may be so for all you know?—In the majority of cases the patients are visited in their own homes.

2757. Do the majority of the maids go home?—The majority of the maids we visit. I would not say whether the majority who are sick go home.

2758. You have had a very light sickness experience?—Yes.

2759. Apparently not exceeding 10 per cent. of the members?—Yes.

2760. Taking the average over the nine months of the year you will find that not more than 10 per cent. of your members were on the sick fund?—Less than that.

2761. Do you know that that is considerably less than the experience of the best societies in the country generally?—I understand so.

2762. In case No. 16 which you have put in, the doctor has been at considerable pains to give you all the symptoms from which the patient was suffering. Do you realise that you have a complete picture of a very common condition of things in the certificate of the doctor?—Yes.

2763. And this certificate, so far from indicating haste or carelessness, rather indicates great leisure and a great amount of pains taken in filling up the certificate?—No, I do not agree with that.

2764. In what way do you disagree?—I do not think you have anything to prove that.

2765. If he had simply written toxemia you would have been satisfied?—I do not know the meaning of that.

2766. Well, septic intoxication?—Yes. I would have been satisfied by sheer ignorance.

2767. Do you really seriously say that insufficient information being given on certificates is the cause of excessive claims?—No, nothing on the certificate can cause claims.

2768. You say in your outline of evidence that the main reason is the number of cases, amounting approximately to 20 per cent. of the whole, in which no satisfactory medical reason is advanced for the member's state of health?—Yes. That proves that the incomplete certificates give us reason to doubt, but they do not cause the sickness.

2769. So your point is that, unless you have a cause on the certificate which is satisfactory, your suspicion is not aroused?—The point is that if a certificate contains no good medical reason for the person remaining on the funds there is some cause to doubt whether that person is justified in claiming benefit.

2770. What symptom of the whole picture here is it that you do not consider sufficient?—I do not understand.

2771. Take this case No. 16; if it had been simply pyorrhoea alveolaris you would have been quite satisfied?—Yes. It would have been our loss.

2772. You get the whole picture and you are not satisfied?—Because he does not know to what cause all these symptoms are due.

2773. But he probably does not?—There is that fatal query mark.

2774. On the suspicion that all these troubles are a train of symptoms due to the pneumococcus bacillus getting hold of this insured person's system, would you be quite satisfied if the doctor said that this person was suffering from pneumococcus infection?—I should have been satisfied, but I do not know whether I should have been right.

2775. You consider that this matter of symptoms shows the ignorance or carelessness of the practitioners?—In the circumstances.

2776. You would not think it unreasonable if I did not agree with you?—Not at all.

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2777. (*Mr. Thompson.*) Had you a medical examination of your members before you admitted them?—In a certain number of cases.

2778. Generally what class of cases did you examine?—Mostly consumptive cases, where there is consumption in the family.

2779. Is the question raised in the form of application for membership?—Yes. We ask the question whether any of the near relatives suffered from consumption or insanity.

2780. In cases where there was no medical examination did you have information given to you by anyone who knew the applicant?—Yes. We had three ways of dealing with doubtful applications for membership. Some were rejected on the face of them; some we said we would only accept if accompanied by a medical certificate; in some cases we wrote requiring them to give us information from some principal or employer who knew them well.

2781. So if the answers to the questions were satisfactory on the face of them, you did not have any direction or suggestion from anybody outside?—No. We accepted the great bulk of our members directly on the forms.

2782. I notice that in your outline of evidence you refer to the value of referees, and give instances of cases submitted to them. Were they all in London?—No. They were spread all over the country.

2783. Had you a difficulty in finding referees in the country?—Yes.

2784. Have the people to be asked to go a distance to see a referee?—We have tried to avoid that as far as possible.

2785. What distance would you think the maximum?—In one case we had to ask a person to go ten miles, but we paid the travelling expenses.

2786. You have told us that in most cases where the sickness visitors were employed, the members were staying at their own homes?—Yes.

2787. In cases where they visited at the houses of the employers, have they found any difficulty in gaining access to the members?—No. I do not know whether it is a coincidence or not, but very few cases have been visited at the employers' homes.

2788. (*Mr. Mosses.*) I think that your organisation has no connection with the Domestic Servants Trade Union?—None at all.

2789. It is a separate institution brought into existence when this Act commenced?—Yes.

2790. You have a large number of members; how did you secure them?—Mainly through the influence of the promoters and others.

2791. You did not employ professional canvassers?—Not one.

2792. At page 1 of your rules and constitution, you say that all members shall, subject to the following rules, have an equal voice in all the concerns thereof, and in the administration of the property thereof. What means do you adopt in order that the domestic servants shall have an equal voice in the administration of your organisation?—At the present moment as the rules stand, the society is governed by an annual general meeting of all the members, but it has been felt by the committee that that did not secure that the members had an equal voice, as you cannot have an adequate general meeting of the society, and steps are now being taken to alter the rules to provide for governing by divisional meetings, in which case every member will be able to attend such meetings and record her vote.

2793. Up to now there have been none of these meetings?—That is so. The first meeting is next month.

2794. You have three classes of members, the insured members, ordinary members, and honorary members?—Yes.

2795. Can you give the proportionate numbers of these three classes?—The insured members number 67,000, the honorary members are the members of the committee and number about 16, and the ordinary members are about 2,000. I take it you mean members insured under our voluntary friendly society.

2796. You have a voluntary side?—That is what I meant by ordinary members.

2797. Your rules provide that "ordinary members" shall be members of the society contributing for "benefits under part 2 of these rules": that means the voluntary side of your organisation?—Yes.

2798. In rule 6, clause 7, you say that the contributions of members employed must, unless paid by Parliament, be paid in the first instance by their employers; is that a matter of intelligent anticipation?—No; that is the low-paid members.

2799. With regard to maternity benefit is it usual for you to pay to a public institution or hospital?—It is very rare. We have so few cases that I should be a bad subject on maternity benefit.

2800. Have you ever done so?—I think in one case; in not more than two.

2801. You have a provision in your rules that any of your members who have a complaint to make can appear before the committee; is that really possible?—I think it is possible. It has not been put into force.

2802. Practically there is no appeal for any of your members who wish to protest against their treatment? There is no appeal to the management committee at all?—There is an appeal under rule 37 dealing with disputes, which can be decided by arbitration.

2803. Have you many such cases?—None at all so far. We are only a year old.

2804. Practically your members are entirely in the hands of the officials?—Up to now.

2805. You are taking steps to remedy that by these divisional meetings and matters to which you referred?—Yes.

2806. I am very much interested in the names of your committee. Are they insured persons?—I think not.

2807. What about the Insurance Act, which provides that only insured persons shall deal with the actual administration of the Act?—The committee of management have no vote at the general meeting, which is the ultimate court of appeal of the society. They are honorary members.

2808. They have certain plenary powers?—Certainly, but provision is made for them to retire and be re-elected by the members.

2809. (*Mr. Warren.*) I understand that you are taking steps to alter the organisation of the society so far as its meetings are concerned?—Yes.

2810. And you propose to set up divisional meetings which will have power to select representatives to the annual general meeting?—Yes.

2811. Then providing that at the annual general meeting there shall be the election of representatives to the central executive?—Yes.

2812. Could you tell us what percentage of your sick members are visited?—I think, roughly speaking, about 50 cases a week. As we have about 700 cases, that works out at a little less than 10 per cent.

2813. Do you consider that you have reasonable sick visiting?—In London we are quite satisfied. In the provinces I confess it is very haphazard.

2814. Your members are drawn from the better class, if I may use the term, of domestic servants?—I think so.

2815. The better paid classes?—I think so.

2816. Do you think they have a fair understanding as to the principles of insurance?—I do not think they have a fair understanding of anything connected with the Act.

2817. They do not realise their position in respect of their particular society, the fact that their financial interests are bound up in the particular society that they have made their approved society?—I think they recognise that to a certain extent, but there is a certain number of cases, I should say, in which they do not.

2818. Do you think that your members are influenced at all by the matter of over-insurance?—I think not at all, so far as I can see. The sickness experience on our voluntary side, which has 2,000 members, and in which we have only been paying since July, is even lower than the sickness experience on the State side.

2819. So even the attraction of the two benefits on the independent side and the State side have not, in

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your opinion, caused any unjustifiable claims?—Not from my experience.

2820. In so far as the purely State members are concerned, does the rate of benefit have any effect as compared with the wages they are in the habit of receiving?—I do not think so. Most of them, or many of them, are receiving better wages than 7s. 6d. a week.

2821. Of course you are not concerned with the question of the women outworkers?—Not at all.

2822. Have you found up to the present any unwillingness on the part of your members to return to work when fit?—That is a point on which I do think there is a certain amount of hesitation in the last week, as to whether it shall be the last week or the last week but one.

2823. But you are not conscious of any deliberate fraud?—Of none whatever.

2824. Has it come to the knowledge of your society that the friends of insured persons are able to obtain for them continuation certificates by attending themselves at the doctor's place?—Cases of that sort have come to my notice—not very many.

2825. In other words, continuation certificates are given without the medical man seeing the patient?—In a certain number of cases, but not very many that I am aware of.

2826. You say that you have taken exception to antedating and post-dating certificates to the extent of about 20 cases?—Yes.

2827. Does the society find its members object to going from the doctor to the chemist for the necessary medicine?—I have had no complaints at all of that.

2828. You have no knowledge as to whether any percentage of prescriptions given by the doctors never reach the chemist?—I have no knowledge on that point at all.

2829. Of course you have had no past experience as to the relations of the doctors with the society—that is under the old friendly society terms?—Not as an administrator.

2830. So there is no purpose in my asking you whether the question of having the doctor and the medicine separate and apart affects the matter?—I would not care to venture an opinion.

2831. You say that you find a number of claims for comparatively minor complaints?—Yes.

2832. You visit so few of your sick members that you have not much opportunity in your society of knowing the members intimately?—No, we have not. That is one of our drawbacks.

2833. (*Mr. Wright.*) You have described your organisation as a friendly society?—Yes.

2834. But it was primarily established as an approved society for the purpose of national insurance?—It was, but one side has been registered subsequently as a friendly society.

2835. The voluntary section is an adjunct to the approved society recently established?—Yes.

2836. How long has it been established?—Since January.

2837. Have benefits yet become payable?—Since July.

2838. What are the benefits on the voluntary side?—Additional sick benefit in two forms, pensions, endowments, and death benefit.

2839. What is the amount of the sickness benefit?—2s. 6d. a week payable from the fourth day for 26 weeks under one scale, and under the other scale 2s. 6d. or 5s. a week commencing on the 21st day of illness and continuing indefinitely.

2840. Voluntary benefits in no case commence on the first day?—In no case.

2841. From your experience since July are more members on the voluntary side claiming sickness benefit?—Very few of them have claimed sickness benefit.

2842. Half your members reside in London and the other half in the provinces?—Roughly that is so.

2843. You have local agencies in the provinces?—Yes.

2844. What are the duties of the local agents?—The local agents, in common with our existing rules, are about to be abolished and branches substituted.

The existing agents are mainly persons such as the secretaries of local social service bodies, and in registry offices some local woman generally acts as our agent, gives advice to applicants for membership, and collects cards on quarter days.

2845. Who pays the sickness benefit?—In every case it is remitted by post from the head office direct to the insured person.

2846. Is it your experience that most of the members go home when they are sick?—I do not think I said most. I am really not very certain on the point.

2847. What you did say was that, where your members were visited, in the majority of cases they were visited in their own homes?—That is so, but I think that still there is a large number who do not go to their own homes.

2848. On what principle and how do you direct your sickness visiting?—Where the claim appears dubious, where the member is on the fund a long time, or where the illness appears to be slight.

2849. Only in doubtful cases?—Yes, and here and there where we think the reverse, that the member is dangerously ill and neglected.

2850. It comes to this that the doubtful cases occur when the insured person is at home, and not in a situation?—Yes, I think so.

2851. I mean that that is the inference which you would have us draw?—It is not a point which I would have made myself, but I think it is a permissible inference.

2852. Would that be an inference from your own experience?—Yes, I suppose it would.

2853. In the cases where the members do not go to their own homes, do the majority of cases have the panel doctors or the medical attendant of the household?—That I could not say definitely. I know that in a large number of cases they do not have the panel doctors.

2854. Can you give us any information as to what proportion of the members receive medical treatment without claiming sickness benefit?—I cannot. I have no information on that point. I have had one or two cases brought to my knowledge where the person is ill and has had medical treatment, and has not claimed sickness benefit. I could say nothing from such mixed experience.

2855. What proportion of the sickness benefit is remitted to members remaining at their situation when sick?—Quite a considerable proportion, I could not say what.

2856. Would one assume in all those cases that the insured person is drawing sickness benefit in addition to her wages?—There are many cases so.

2857. Have you any knowledge that that is so when they go to their homes?—I have no knowledge.

2858. Is the greater portion of the sickness benefit remitted to the insured person while they are at their situation?—A considerable proportion. I should not like to say the greater part. In many cases they start being ill at their employers' houses, and then they go home. That is the common case.

2859. Have you any knowledge whether you have paid any sickness benefit to your insured members while being out of employment?—Quite a considerable proportion of it, I think. Of course, we have no figures on any of these points.

2860. Have your sickness visitors given any evidence of the kind?—Certainly.

2861. To any extent?—To a considerable extent.

2862. You have ascertained that insured members have been actually out of employment while drawing sickness benefit?—Yes.

2863. Had you any difficulty in getting new members to select their panel doctors?—We have brought no pressure to bear on them, but a large number of them have not chosen a panel doctor.

2864. Most of your business is transacted in correspondence with your members?—Yes.

2865. Have you many letters when members are ill asking what they should do with regard to getting a doctor?—Yes, a great many.

2866. Would you say that there has been considerable difficulty in getting members to understand

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what they have to do in order to get medical treatment?—Yes, great difficulty.

2867. You say that in your opinion doctors generally misunderstand the Insurance Act, in so far as they are prepared to certify insured persons for sickness benefit when they are not incapable of work?—I do not think I went so far as that. I suggest that a large number of certificates are given for trivial complaints. I do not think I would willingly go so far as to suggest that doctors in many cases deliberately give certificates where they know that the insured person is capable of work.

2868. Of any work?—Unless a person is at death's door she is capable of some work.

2869. You know the distinction I am trying to draw as to whether a member is incapable of following her usual occupation, or incapable of work?—Yes.

2870. There is a distinction?—Yes.

2871. In your conception, should sickness benefit only be paid when the insured person is incapable of any work?—That is the meaning of the Insurance Act I take it.

2872. Do you think that is the conception which the doctors have?—My personal opinion is that that is not their conception.

2873. Suppose it were possible to make provision to enable insured persons to have the opinion of a specialist who, do you suggest, should pay them?—I suggest that they should be paid from the same source as medical benefit is paid from. If there is any deficit it should be made up in the same way as the existing deficit in medical benefit is made up, by the Government.

2874. And medical referees?—I think that they should not be under the control of approved societies. I should say that they should be under the control and paid by the Insurance Commission.

2875. The Commission or the insurance committees?—The Commission.

2876. You would not favour medical referees being appointed by the insurance committees?—I see no reason why they should not be, but personally I should prefer them to be appointed by the Commission.

2877. Why?—Because insurance committees are to a certain extent in the hands of approved societies, and I think in the interest of insured persons the medical referee should be a person entirely apart from any possibility of being tampered with by either party.

2878. Then you are not in favour of the approved societies administering the medical benefit for their own members?—Certainly not.

2879. Would you say it would be almost impossible for your society to carry that out?—It would be difficult.

2880. Do you think a solution of the difficulty is a State Medical Service?—I do, emphatically.

2881. (Mr. Davies.) Can you tell whether the cases that are recorded in Table I showing the number of cases of various illnesses and their duration* were taken from the better class houses, from where they have more than one servant?—From all cases.

2882. You have no idea as to the percentage of those who were from better class or from poorer houses?—I have not.

2883. You state that the doctors cannot diagnose, and suggest that a further opinion should be sought. What period would you think should elapse before that further opinion should be sought?—I would leave that entirely in the practitioner's own hands. In many cases there is no need for a second opinion. In many cases I understand from correspondence received that the practitioner himself feels the need for a second opinion.

2884. How would you treat the insured person in such a doubtful case which you are holding over for a second opinion? Would you withhold the benefit until you had satisfied yourself from this second opinion or would you pay the benefit right away?—I would pay the benefit right away.

2885. And, if it were found to be wrong, surcharge it?—It depends on the circumstances in each case.

2886. You suggest to us that there should be a further opinion. I am trying to find out how and when that further opinion should be sought?—That is a matter for decision in each particular case by the practitioner attending the person.

2887. In such a case while waiting for this opinion you would pay sickness benefit?—Probably the doctor himself would certify as he does now, and if there were any doubts whatever, he himself would probably be the person to suggest a second opinion.

2888. What is your primary object in asking for a second opinion?—I suggest that at present the diagnosis in many cases is doubtful, that insured persons are not being properly treated, and that the duration of sickness is therefore prolonged.

2889. Your idea is therefore that, if you could get a further opinion, you would reduce the incidence of sickness?—It would reduce the duration of sickness, and a second opinion is only one feature of the additional service that is, I think, necessary.

2890. But the case, if I may respectfully submit, which you have put to us is in all cases, where a further opinion has been necessary, that further opinion could not be obtained until a lengthy period had elapsed. Do you instruct the sickness visitors to visit cases?—It depends entirely upon the circumstances of the case. It is at my own discretion.

2891. May I assume, having regard to the fact that you have seven hundred cases, and that only fifty of these are visited, that you really do not visit sick cases in the same week and that it might be a fortnight or three weeks after the sickness has occurred?—That is so.

2892. So excessive sickness claims may arise from the fact that you have no means of checking them for two or three weeks, and that the members, learning that it is easy to get sickness benefit for two or three weeks before being questioned upon it, get that sickness benefit?—I do not think that that is so in the least.

2893. Do you regard the value of a sickness visit as very high or very low?—I think it a very useful thing. I do not put over much reliance on it because I know the limitations of a lay person's opinion, but I think it a very valuable thing.

2894. How long have you had experience of paying sickness benefits?—From the administrative point of view only a year or two.

2895. Would you set that opinion against that of societies which have existed for over a hundred years?—Not in the least.

2896. And who make it a definite principle that there should be weekly visits?—I defer entirely to that opinion, but I still maintain the right to hold my own opinion where necessary.

2897. If so, in this case you have given us the statement of excessive sickness claims, and taking the number of cases which are visited, the larger number of cases of sickness are only in existence for a week, a fortnight or three weeks?—Yes.

2898. With regard to sickness visitors, the necessity for it arises, would you say, from the particular class of your members and their occupation?—Quite conceivably. It is covered by it.

2899. In the large houses, where a number of servants are kept, would they resent sickness visiting to any degree?—That is so, to a certain extent.

2900. From that standpoint you think that sickness visiting is not practised?—That is one of the factors that enter in.

2901. I take it for granted that only doubtful cases are visited?—In the main.

2902. You have no local committees?—One at present in Manchester, but it is going to be replaced by the divisional arrangement.

2903. Has the committee in Manchester any of these insured persons on it?—Yes, three.

2904. Out of how many?—About 12. That committee is practically defunct now.

2905. Do you think that the more democratic committee is likely to help you in being able to provide visitors for these centres out of the committee, and would that tend to remove the difficulty of visiting in the provinces?—It would, certainly.

* Not printed.

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2906. But you do not attach very much importance to it?—A certain amount, but not overwhelming importance to the exclusion of other matters.

2907. What do you mean by overwhelming?—Not to lose sight, while attending to the visiting, of the other factors that cause excessive sickness claims.

2908. When those committees are set up, what authority will they have?—The precise rules have to be passed by our society at the general meeting. It is proposed that the divisional committees should be elected from divisional meetings held at least once a year.

2909. These committees would be able to send up suggestions for amendment of rules?—Yes.

2910. And will have the right to elect representatives on the central committee?—Yes.

2911. At the present time I notice in your rules a great deal of authority is left with the secretary?—Yes.

2912. How were the applications for membership decided in the first instance?—All those that were clean from the health point of view were passed at once by subordinates, and all in the least way doubtful were referred to a health committee.

2913. In the case of the Manchester committee, would they receive applications for membership?—They do not do work of that kind. They are a purely advisory body.

2914. They have offices in Manchester?—Yes.

2915. They endeavoured to spread knowledge among the members?—Yes.

2916. If a servant in a district made application for membership to that committee, they had no power whatever to admit the applicant, and the application had to come to headquarters and was decided by one or more members?—Yes.

2917. What committee have you to hear complaints?—At present we have not had any complaints, and have not found it necessary to set up a committee. Power is given in the rule referred to previously.

2918. If any of those people to whose cases you have referred this morning made a complaint, what procedure would you follow?—I would direct them to apply to the committee of management in the first instance.

2919. You would not deal with the case yourself?—Not if it were a serious complaint.

2920. But can any complaint at all be settled by you and struck off the list?—If there were a complaint on Monday morning that the money for last week's benefit, which was due on Saturday, had not yet been paid, I should settle that myself. But if the complaint were "You have declared me off the funds when you 'should not have done so,' I should submit that to the committee.

2921. Would you give the complainant an opportunity to appear?—We have not had any formal complaints appealing for a hearing.

2922. In the case of minor disputes you would settle them yourself, and the other disputes you would submit to a committee?—Yes.

2923. Do you allow any kind of work when the insured person is certified for sickness? In the case of a women's society you generally find, especially if the member is a mill hand or a person of that description, that she does not consider working at home a disability; but seeing that a domestic servant's work is in the house, would you consider that any kind of work done in the house would disqualify her from receiving the sickness benefit?—I would not put it quite so generally as that. If a person is doing a full amount of housework I should consider it as not compatible with receiving sickness benefit, but if she is doing a little light work in the house, I should regard it as compatible.

2924. Would you tell us about rule 20, clause 14, which relates to the organisation of local committees?—That rule is now being repealed.

2925. You there set up that, where the membership was 5,000 strong, they should have certain rights?—Yes.

2926. You are now revising it?—We are devising machinery to carry it out more effectively.

2927. What authority are those special committees going to have?—Divisions are being set up. A division is to be defined as a body of members of not more than 5,000. Divisional meetings will be held which will appoint committees. Those committees will have power to place matters on the agenda for the general meeting, and, at the general meeting, representatives will be elected to the general meeting of the society, which will in turn appoint the committee of management.

2928. Have you any idea of the proportion of insured persons and of honorary members who will be on the general committee?—In future we hope they will be entirely insured members.

2929. So the committee set out in the rules now will disappear?—Yes, they will disappear in the course of time.

2930. And the society will be in the hands of its members?—Yes, but domestic servants were one of the least organised classes in the past, and you could hardly entrust them at the beginning with complete control of the society.

2931. Can you tell us, seeing that your members are drawn from the class of houses which you have indicated, how many members are entitled to be maintained by the employers for a period of six weeks?—Very few indeed, not more than twenty or thirty. It is relatively insignificant.

2932. I should have expected a large number?—So should I.

2933. (*Mr. Watson.*) I understand from the document which you have been good enough to send us that out of the total number of sickness claims the number visited is quite small?—Yes.

2934. In the case of the great majority of claims, what measures do you adopt to see that the members observe the rules?—None whatever beyond certification by the doctor.

2935. You have not considered whether the purpose of sickness visiting is not, to some extent, to see that the rules are obeyed by the members?—We have not taken that view yet.

2936. You have a rule which says that a sick member cannot be absent from home between the hours of 10 p.m. and 7 a.m.?—Yes.

2937. Can you give the committee some idea of the reasons which led the founders of the society to adopt such a very unusual rule as giving permission to a sick person to be out until 10 o'clock at night?—I have not the least idea. The rules were adopted before I was connected with the society. I understood that it was the model rule.

(*Chairman.*) The model rule has got a blank in it.

2938. (*Mr. Watson.*) Do you think that it would probably protect the funds of the society if it was necessary to impose somewhat irksome conditions on the personal liberty of the sick person, such as requiring her to be indoors within certain hours?—I cannot say. This was done some months before I was connected with the society.

2939. You have no idea what led them to adopt this course?—I cannot throw any light on it.

2940. You say that a large number of members are suffering from such things as anaemia and debility. Those complaints would hardly prevent people from going out and taking advantage of the rules of the society?—Yes.

2941. So that a sick member suffering from such a complaint can be out until 10 o'clock at night?—Yes.

2942. And she could have a really good time?—Yes.

2943. And be regarded as a sick member?—Yes.

2944. And yet you have no systematic arrangement of sickness visiting which will bring to the notice of the committee any possible weakness of this kind?—Of course, those doubtful cases are the first chosen for visiting. A large proportion of them are visited. We practically never visit a case of scarlet fever or appendicitis.

2945. Those would not be a large proportion of the 700?—A very large number of our cases are things like appendicitis, gastric trouble, and what I may say are more serious things.

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2946. You have no machinery which will enable the committee to review the operation of this rule?—Not exactly; in fact, we have not paid much attention to it.

2947. (*Miss Wilson.*) You spoke of a case in London; what do you say were the difficulties in that case?—Well, the difficulty was in getting treatment; I do not know where it came in; she applied to a doctor.

2948. That was the first step?—Yes, she applied to a panel doctor; she had been suffering from some serious internal disease, and there was some vomiting. Her mistress sent her to the panel doctor. The panel doctor refused to examine her, but gave her some medicine.

2949. Did he definitely refuse, and did she ask him to examine her?—I understand so; I have no definite information on that point.

2950. At any rate he did not examine her?—No, he gave her medicine, and she was very much worse, and after a few days went back to the panel doctor with a note from her mistress asking that she should be examined. The doctor refused to examine her, but gave her some more medicine, and in a few days she was taken badly ill, and was told by a private doctor that she should go to a hospital to be examined.

2951. That was the case in question?—Yes.

2952. Then what was your complaint against the panel doctor in that case?—I simply suggest that if there had been any ordinary machinery available, the panel doctor would have passed her on to that machinery.

2953. What is your reason for saying that the panel doctor should have passed her on to this ordinary machinery?—When it reached the hospital it was a case for a serious operation. I submit that it would be very much better in cases you could not deal with that they should be passed on, and that that would be very much easier, and more likely to be carried out, than it is at present.

2954. You think that at this point in the disease the panel doctor would have wished, and should have the right to avail himself of the machinery, if it had been there?—I think so; he would have no more trouble.

2955. I understood, when you mentioned this case in reply to Dr. Pearse, that you stated it was impossible to get treatment in London for specialist cases?—I understood that it was difficult.

2956. When she was examined at a later stage, then she was sent on to a hospital?—Yes, she was passed on somewhere and operated on immediately.

2957. (*Chairman.*) Dr. Pearse was asking you for any specific case within your knowledge where there was any difficulty in making arrangements to get special services in London where required. You stated you could give us a case where such difficulty had arisen. I am sure that this is not the case you mentioned?—Yes, the panel doctor could not get her in.

2958. (*Miss Wilson.*) Did he try?—He did not get her in.

2959. He did not think it necessary at that stage to try?—I was not going to discredit the panel doctor.

(*Chairman.*) The point of Dr. Pearse's question, as I understood it, was this—that there was no lack of competent specialist services in London if they were required. You stated that you knew a case in which specialist services were required and could not be obtained. Now it appears that in that case specialist services were obtained.

2960. (*Miss Wilson.*) Can you give us any information about the length of your cases where you have claims, are they short claims or were most of your claims for a long time?—The average is for about five weeks.

2961. I do not want the average?—I cannot tell how it is distributed.

2962. Can you tell us whether you have any reason to suppose that you have a considerable number of persons who were not putting in claims?—I have no reason to suppose so.

2963. Does that apply to quite short claims as well as to long claims for illness?—The point is quite new to me; it has not occurred to me before that there were persons who refrained from making claims.

2964. Have you any reason to think it likely that in the circumstances of your members, they would not be so likely to claim for short illnesses as girls living at home and working in the factory?—I think it quite possible, but I have no evidence of it.

2965. You have no clear knowledge of it?—I have no clear knowledge of it at all.

2966. Would you think it quite possible that that may be one of the reasons why your average is so low?—I cannot say, but it may contribute.

2967. (*Dr. Smith Whitaker.*) I noticed in several of your answers that you made reference to the employment of medical referees by your society. Are these gentlemen appointed separately for each case as it arises?—Yes.

2968. You have no regularly appointed referee?—No.

2969. Not anywhere?—No.

2970. Then when a referee is to be selected by your society to examine a particular case, by whom is he selected?—By myself.

2971. Is that so wherever the case may be?—In London, by me.

2972. Supposing that you require a referee in the West Riding of Yorkshire, how do you exercise your judgment in selecting the most suitable person to employ?—It is a difficult problem. We have simply to hunt up the names in the directory, and we chose the doctor with the best qualifications.

2973. This is what has been done in the past by your society?—Yes.

2974. You take a medical directory and select a name; for what do you look in making your selection?—We look at the qualifications. Practically we choose the first well-qualified doctor we come on.

2975. Have you any medical assistance in deciding the qualifications of the doctor?—No.

2976. That is the process of selection, and it is from the individuals selected in that way that you form your opinion as to the value of the doctor's certificate?—Oh, no, that is not the point at all.

2977. On what other evidence do you form your opinion as to the value of the medical certificate?—Is it your own opinion of the value of the medical certificates?—The opinion of the medical referees.

2978. How are your referees paid?—By fee in each case.

2979. There were certain cases that were brought to your knowledge in which doctors had certified disablement, without having actually seen the patient, and had gone on giving certificates without having seen the patient at all?—Yes.

2980. You have evidence that a doctor has gone on repeatedly giving certificates without seeing the patient?—I have no evidence that he has repeatedly done so; I only know of one such case.

2981. In cases where you find continuation certificates were being given to patients in this way, have you inquired as to the kinds of diseases from which these persons were suffering?—No.

2982. I mean, supposing that a patient had broken his leg last week, you recognise that a doctor might justly go on giving a certificate?—Certainly, but you will remember that in the certificate it says, "I have to-day examined" the person.

2983. I am not questioning that, but do you take any action when you think that the doctor had in this way given an exceptional certificate without seeing the patient?—No concerted action. In one case we wrote to the doctor, but no concerted action.

2984. You have not brought any case of the kind to the notice of the insurance committee?—I think one, but I am not certain.

2985. Have you brought any cases of other kinds where the doctor has given certificates wrongly to the notice of the insurance committee?—Yes, mainly dealing with post-dated certificates.

2986. Have you any information as to the result of the references?—Nothing of a marked nature; most of the cases have been settled by an explanation from the doctor.

2987. The doctor has given an explanation which the committee has accepted as satisfactory?—Yes.

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2988. Or, at all events they do not feel called upon to pursue the matter further?—Yes.

2989. Perhaps giving them the benefit of a First Offenders' Act, or something of that sort?—I think that is possible.

2990. With regard to the case you explained to Miss Wilson, if I gather correctly, the information you received was that this doctor went on treating the patient without having seen her at all, notwithstanding one or more requests from her mistress that he should examine her, so that eventually the mistress was dissatisfied and called in her own doctor, who advised that the patient should go to a hospital?—Yes, that is the information I received.

2991. Assuming a case of that kind, which the doctor has got to deal with, do you suggest that there is a different standard of duty between a panel doctor treating an insured person, and a private practitioner with his patient?—No.

2992. You do not consider it consistent with the duty of the doctor to this patient that he should go on treating her without examining her?—No, I should not.

2993. Under any circumstances?—No.

2994. You consider it the doctor's duty as soon as a case comes before him for treatment to carry out an examination?—Yes.

2995. Such examination as might be necessary for the case?—Yes, certainly, but I am not aware how far such examination as is necessary would come within the scope of the practitioner.

2996. It is not a question of examination. Surely before a man knew whether it came within his scope or not he must examine the patient?—Yes.

2997. And see whether the symptoms are serious, vomiting of blood, or something of that sort?—Yes.

2998. If it was serious, to have a thorough examination into it and a medical diagnosis made?—Yes.

2999. And he should himself carry it out?—Himself if sufficiently skilled, otherwise to carry it out with a doctor who is sufficiently skilled.

3000. I do not want to put a question which it would be difficult to answer, but are you of opinion that every doctor should examine the patient, however serious the symptoms may be?—I am, certainly.

3001. I presume that after any such examination he should give a statement as to what the symptoms were?—An expression of opinion as to the circumstances and symptoms.

3002. It would not be competent to call upon doctors generally to carry out such an examination as you have specified where special treatment was required?—Not from every point of view.

3003. Have you had any experience of the ordinary working of medical service, apart from the Insurance Act, for people in the position of domestic servants?—Yes.

3004. Have you at all found that there was difficulty in obtaining recommendations for hospital treatment for such persons from the doctors?—I think not.

3005. So that really the only steps necessary for a private case of a domestic servant to obtain specialist advice would be that her doctor should refer her to the most suitable hospital?—Yes.

3006. Is there any reason why that should not be available in the case of insured persons?—I understood that hospitals were distinguishing between insured and non-insured persons to some extent.

3007. Have you studied the matter sufficiently to form an opinion whether there is justification for so doing?—Oh, no.

3008. The question of the alleged default on the part of the Commissioners would depend partly on the question whether other means of treatment were available?—I do not think so.

3009. It is a question of the interpretation of the Act?—Yes.

3010. (Chairman.) On the question of the failure of the continuation certificates, have you got the rules of your society?—Yes.

3011. Rule 32 states that the committee of management may require the insured member while drawing sickness or disablement benefit to send once in each

week a medical certificate, and that that will be sufficient evidence of incapacity. That is the case?—Yes.

3012. In the form as to incapacity the doctor states: "I hereby certify that I have examined you" and that you are in my opinion incapable of work "owing to —". Then in a footnote below the doctor is requested to fill in the nature of the illness, unless some special reason exists to the contrary?—Yes.

3013. You say that your rule entitles you to obtain that information from the doctor who fills it in accordance with your contract?—Yes.

3014. Now I just want to put to you the form of the Commission's certificate. It does not affect your rule at all. The Commission's continuing certificate says: "I hereby certify that I have to-day examined you and that you are in my opinion incapable of work, owing to —", and then it says, "the specific disease or bodily or mental disablement stated in my last certificate"?—Yes.

3014a. They are very similar to one another. You put below the line, "the specific disease or bodily or mental disablement stated in my last certificate." The doctor's certificate is *prima facie* evidence?—Of what his examination suggested.

3015. Is it your complaint that they were taking advantage of this form?—It could occur.

3016. Taking advantage of it means actually putting in a new complaint altogether?—It depends on the nature of the two complaints.

3017. Suppose he indicates on the continuing certificate that the disease does differ from the disease stated on the first certificate. You have no *prima facie* evidence of wrong-doing beyond the mere fact that he thinks that?—I have no complaint that he thinks that.

3018. Is your complaint one of two things—that the statement in the second certificate was totally inconsistent with the original, or else something which would indicate that at the original examination he was not able to find out what it was. Is that the gravamen of your complaint?—No, I think not.

3019. I am afraid I cannot take you any further than that. In the fifth of the cases which you submitted a doctor declares that on the 27th of June the patient was suffering from debility, and then, on the 25th of July he gives a certificate for debility, &c., and then, on the 12th September, for neurasthenia. Is your complaint there that the doctor behaved in a wholly unreasonable manner?—I do not know what that member was really suffering from.

3020. Owing to the fact that the doctor behaved in an unreasonable manner?—I do not know whether to call it unreasonable or not.

3021. Coming to No. 6, the doctor declares that on the 1st of August the patient has phlebitis, but you afterwards ascertained that she was confined on that day. Is it your complaint that he did not mention that the patient was suffering from that? You do not suggest that the doctor was so incompetent that he mistook a confinement for phlebitis. He did not require a specialist's opinion on that question?—My objection is that there was confusion in the report.

3022. There is no complaint of a specialist's services not being available in that case?—No, none whatever.

3023. No. 5, I think, runs on the same lines. Do you think that he had knowledge he did not choose to give you?—No.

3024. To my mind No. 8 is a similar case, in which the diagnosis says "suffering from illness"? It was a case of refusing further information? May I take it that in this case you think the doctor ought to have done something different, and that, whether a panel doctor or the greatest specialist on earth, his conduct with regard to you was wrong in not telling you what was the matter?—Yes.

3025. Having these cases before you, did you complain to the committee?—In the last two cases, cases 6 and 8.

3026. What was that committee?—The insurance committee. No. 8 was the Norfolk Insurance Committee and No. 6 was the Kent Insurance Committee.

3027. Has anything been done on these complaints?—No. 6 is still in dispute.

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3028. What is the dispute about?—The doctor has not appeared before the committee to answer for his conduct. You understand that this was a special voluntary contributor, and that she would not be entitled to come on the benefit in the ordinary way.

3029. I did not understand anything of the kind. This throws an entirely new light on the whole complaint. How am I to understand from the facts set forth in this case that the member was a special voluntary contributor? It is a very different thing from the original thing you put forward?—These are general complaints.

3030. I understood you to suggest that these 19 cases were cases put forward by you in illustration of the need of a second opinion—a specialist's opinion. Some of them now appear to be cases of fraud by insured persons upon the society, but I do not find a single illustration as to a second opinion?—These illustrations deal with the necessity for accurate enquiry and diagnosis primarily. The whole of these 19 cases pointed to my mind that there was inadequate diagnosis and treatment. They are part of the inadequate treatment.

The witness withdrew.

Mr. L. CLAYTON (*Secretary of the Bristol Cotton Works Health Insurance Society*) examined.

3037. (*Dr. Smith Whitaker.*) You are the secretary of the Bristol Cotton Works Health Insurance Society?—Yes.

3038. The office manager and chief accountant of the works?—Yes.

3039. I think it will be convenient for the Committee if you will give us some information as to the special nature of your society?—The society was formed in connection with the Great Western Cotton Works of Bristol for the purpose of administering the National Insurance Act, 1911. We had no society previous to that. The works employ about 1,300 people, of whom 200 are men and 1,100 women. Of these, 1,100 are insured persons, and we only secured about 700 for our own society. The other 400 insured persons joined other societies outside the works.

3040. You think there is reason for believing that claims which are not justifiable are being made and allowed in respect of sickness benefit?—Yes, I believe that.

3041. And your reasons for thinking that are stated in the first place to be based on the experience of your women's section?—Yes.

3042. Would you tell us that experience?—For the 35 weeks ending September 12th we paid out on an average on the women's section 4*d.* per member per week. That was for 540 active members; 337 of those are single women, and the average paid for single women was 2*d.* 20*d.* per member per week. We have 203 married women members and the average paid per member per week for them was 7*d.* 33*d.* Deducting from the married women's figures 37 cases of maternity benefit 5*s.* 10*s.* 0*d.*, an average on the married women's section of 1*s.* 87*d.*, it still leaves the ordinary sickness of married women 5*s.* 46*d.* per member per week, and the total for the whole women's section 3*s.* 37*d.* per member per week.

3043. Then your first reason is the large disparity between the women's claims and the men's claims; is that so?—Yes. Our men's claims have only averaged 1*s.* 4*d.* as against 4*s.* 4*d.* on the part of women.

3044. And do you know of any circumstances in the women's employment or conditions generally which might tend to account for that difference at all?—No, not in connection with the women's employment. There is nothing in the nature of their employment which would warrant this heavy sickness rate. I attribute it largely to the married women.

3045. Your conclusion is based also on the reports of your works nurse visitor?—Yes. In February last we employed, first of all on behalf of the company, a very efficient trained nurse, a former sister in charge at one of the large hospitals, to do the whole of our visiting for the whole of the works. In

3031. I understand now that in this case it is alleged that a doctor is a party to a deliberate attempt at fraud on the funds of the society. In your opinion this constitutes inadequate treatment?—I do not say it is a case of fraud.

3031*a.* Are you cognisant of what actually happened when your society was formed?—No, I was not concerned with the formation.

3032. I want to know whether you have any actual knowledge about it?—I have a rather hazy idea of the formation.

3033. Are you aware that there was an intention expressed to democratise the society at the earliest moment possible?—I understood that that was so.

3034. You do not know it?—I understood so, but I do not know it.

3035. You have talked it over with Sir George Murray and other persons who were actually concerned?—Yes.

3036. Do you know from them that they intend when opportunity offers to place the society eventually in the government of its members?—Yes.

the first place, all absentees were visited, and then particularly the members of our own society. I have supervised the work of this nurse day by day since then, and there seems to me no manner of doubt that there has been a great deal of malingering.

3046. And she was employed primarily by the works in the interest of the works, and subsequently by your society for the purpose of the society?—Yes, it is a joint appointment.

3047. Coming to the next part of your statement, you consider that women especially misunderstand the principle of insurance; is that so?—That is so. The members of my committee have often mentioned it. We have met every Monday evening, and it has been really astonishing to hear from the members of the committee, which is mostly composed of foremen, how all their workpeople misunderstand the principle of insurance. They have an idea that there are unlimited funds to draw upon. They say "We do not believe you in regard to your statement that we are only drawing out our own money; we are drawing the State money, and there is no limit to it." That is what has usually been said.

3048. Do you suggest that that applies more to women than to men?—More to women than to men. They do not understand the friendly society spirit at all; they have not been accustomed to it.

3049. Do you think that that is partly because the men have been members of societies in the past?—Yes.

3050. Or is it true also as compared with the men who have not been members of societies?—On the whole, almost all the men were member of societies before.

3051. You do not ascribe any of your difficulty to over-insurance?—No, we do not.

3052. With regard to the comparison of wages with sickness benefit, what is your opinion?—I am of opinion that the ratio of 7*s.* 6*d.* to wages earned in regard to women generally is proportionately higher than 10*s.* to wages earned in the case of men, and the men also usually have dependants. The married women's sickness benefit at 7*s.* 6*d.* is usually equivalent to a rate of wages of 10*s.* 6*d.* and 12*s.* 6*d.*, on account of nursing expenses which are saved, when she is at home on sick pay. Perhaps that needs explanation. A great many of our workpeople—and I think this also applies to the weaving industry through the country—are married women, who have husbands living and working. They have usually two or three children who have to be put out to nurse during the day, which costs, I suppose from 3*s.* to 5*s.* a week, according to the number of the children. Of course that reduces the average weekly earnings at their ordinary occupation by that amount. When they are at home on sick pay, of course, their

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children are not paid for, therefore their 7s. 6d. equals 10s. 6d. or 12s. 6d., as the case may be, in comparison with the ordinary wages earned.

3053. That is the saving which they are able to effect when they are at home doing things which are not regarded as conflicting with their drawing sick pay? Is that so?—Yes.

3054. You consider that you have evidence of considerable difficulty arising from unwillingness to return to work. Is that so?—Yes, that is so.

3055. Do you wish to say anything more on that subject?—No, I think it is largely brought out in the paragraph which relates to the results of the Medical Referee later on in the evidence which I submitted.

3056. And you have had a few cases where you have had reason to suspect deliberate and conscious fraud?—Yes. I am glad to say that they have been kept at attempted fraud. They have not actually succeeded in getting the money, but it is because a works society has the advantage over the ordinary society that everyone knows everyone, and there is a very good check kept upon the habits of the people. I mean to say that it would be very difficult for a person to be drawing sick pay and working at the same time. Such a thing would not be possible in a works club.

3057. With regard to the comparison between the sexes, you consider that unwillingness to return to work applies in the case of both sexes, but the want of understanding of the nature of insurance, and the question of the comparison of the wages with the benefits received as bearing on fraud, are principally confined to married women?—Yes.

3058. So far as you have any evidence at all, is that what you wish us to understand?—Yes, that is our experience.

3059. Coming to questions affecting the medical profession, will you state your view regarding the general attitude of the medical profession towards the Act?—Our experience has been that it is to use the powers given them in regard to the finality of certificates in the insured person's favour.

3060. I am not quite clear what you mean by that: will you explain a little more fully? For example, what do you mean by the finality of certificates?—The profession generally understands that their certificate is the last word as to whether a person is or is not incapacitated for work, and our experience is that they have made use of that advantage in the insured's favour. They have given them the benefit of the doubt in all cases.

3061. The doctor thought that his certificate was the last word, and thinking that, when he has had a doubt, has given the insured person the benefit of the doubt. Is that what you mean?—Yes, that is right.

3062. When you speak of the finality of certificates you are only speaking of the doctor's point of view, and not necessarily your own point of view. Do you regard the certificate as the last word? That is what I was in doubt about when I read the statement.—In one or two very special cases we have not taken the doctor's certificate as final. The committee have taken it in hand. But usually they are taken as final, I think, in all societies with the exception, of course, of the referee's certificate.

3063. Your experience is that very little attention is given to the distinction between short illnesses, which can easily be cured while at work, and those which really involve incapacity for work?—That is so. It is our experience that a great many of our people have illnesses of two or three days' duration, and the doctor has either been unable to persuade them that they ought to return to work at the end of three days, or the people have been unwilling to return at the end of two or three days. The nurse has found in a great many cases unwillingness to return, when really they are fit for work, and when really they ought never to have been away from work. An analysis of our sickness shows that on our total sickness paid anaemia and debility are responsible for 31½ per cent.

3064. You have the impression, however acquired, that a great many of these cases are cases of people who could quite well have continued at work?—Yes, with a little medicine.

3065. With regard to pregnancy cases what is your experience?—The nurse has reported that the doctors have certified certain things which arise from pregnancy as being that particular illness—we will say acute indigestion or something of that sort—instead of, in the nurse's opinion, certifying it as pregnancy.

3066. You think they ought to have mentioned the fact of pregnancy on the certificate?—Yes.

3067. You mean you consider that they should put pregnancy alone, or pregnancy with the other trouble?—Either that or both.

3068. They should have mentioned the pregnancy?—Yes.

3069. That is the only respect in which you find any difficulty or reluctance on the part of the doctor to state the nature of the illness?—Yes, that is the only point.

3070. Apart from that you have not had any particular trouble?—No, but in regard to this point we have had considerable trouble.

3071. With regard to continuing certificates, will you state your experience?—We have found that these continuing certificates have been given very automatically week by week, and in many cases without examination. This information is from the people themselves. It has arisen in some cases through their not receiving proper medical treatment; they have complained to the nurse, and the question has been asked: "You saw the doctor on the Friday when you got the continuing certificate." "No, I called for the certificate and got it, but the doctor did not examine me." We had that in many cases. Asked the reason why, "There were 40 or 50 people waiting, and I suppose he was too busy to bother with me." That is what we got from them. Then in the second place we have had several instances of members who have not been wishful to be away from work, and the doctor has told them they must stay at home and take a fortnight's rest. I had two specific cases not long ago of one doctor who, for some reason or other, had a considerable animus against our works and he certainly specially invited two of them to go on the fund for a fortnight and take a rest. I mention that because I feel that the purpose of the Act, at any rate, is to cure illness, and to come to the relief of people in that condition, and not necessarily to provide periods of rest. In the third place, we had considerable trouble with one doctor at the beginning, and it was responsible for a good deal of our claims. He used a rubber stamp imitation of his signature, and I had reason to believe, though I could not prove it, that it would be very easy indeed for this rubber stamp to be used in his absence for giving continuing certificates. I complained of the matter to the Bristol Insurance Committee, and it was stopped after having been in use for perhaps two or three months. He was assisted by his sister in the work, and he has a very large number of patients on his panel, and it was quite conceivable to me that the sister could very easily issue certificates in his name with this rubber stamp.

3072. That particular trouble, I gather, has ceased?—It has ceased now.

3073. With regard to these people who are invited to take periods of rest, may we take it that your point is that the rest was not necessary for the purpose of restoring them to health? I want to know what is in your mind?—Yes. I have two cases in mind which were given special attention, and in the nurse's opinion and in the opinion of the people themselves, they could have gone on working.

3074. Without injury to their health?—Of course I could not speak as to that; that was the nurse's opinion.

3075. That would be the impression you have?—Yes; and they came on the funds apologetically, and said the doctor had told them they must stay at home for a fortnight.

3076. In considering this experience, you compare it with the experience of your works' medical fund before the Act came into operation?—Yes.

3077. Are any of the doctors who are now attending your insured persons, the doctors who were previously attached to your works' fund?—Yes. I should say the

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two doctors who were the doctors for our works' medical fund for a long number of years, have the majority of members on their list at present; one in particular has the greater part of our number.

3078. On the question of the practice of the society as regards the admission of claims on which doubts are entertained, it appears that you have very few cases in which you raise no question, rather than go through the difficulty of further investigation?—Very few cases.

3079. That is to say you follow up your cases, and do not admit them where there is doubt?—That is so.

3080. You also follow up questions arising out of section 11 of the Act; is that so?—Yes.

3081. The information that you get from the certificates is given to your nurse visitor; is that the case?—Yes; and this information is used to verify, as far as we can, the symptoms, and I am glad to say that in many cases she has been of very great value to the society, and to the persons concerned. Important private symptoms in the case of women's diseases have been brought to light which have materially altered the diagnoses of those cases.

3082. The women have been willing to tell her things that they withheld from the doctor?—Yes.

3083. Apart from these particular cases, when you say she verifies symptoms, do you mean that she uses the sort of medical knowledge she has gained as a nurse to check the doctor's diagnosis?—Yes, she questions the people and so on.

3084. I do not want to press you on the point. You have tried other sick visitors who were not nurses?—Yes.

3085. And what has been your experience?—Our experience was that they were of the people's own class, and it was absolutely no check whatever on the people. We gained no information that we wished to know, and we found a very great difference the moment we appointed a nurse to do the work.

3086. On account of her experience as a nurse?—Yes, and having some knowledge of diseases and so on.

3087. The practice in your society is to have a weekly report on each case?—Yes.

3088. From the nurse visitor?—Yes.

3089-90. Does she visit every person on the sick list?—Yes. We have a report on each case weekly, and the committee have gone over these reports each week, so that we have had a very efficient check on this sickness, and cases which were doubtful were referred, as the result of the committee meeting, to the medical referee later.

3091. I wish to be quite clear as to the procedure; your nurse visitor visits the case, and she reports before any kind of action is taken. Is that so?—No, they declare on in the ordinary way, and then the case is handed over to the nurse. It in no way affects the payment of benefit in the first week perhaps. Then the report comes before the committee at the next committee meeting, and if there is any doubt, then steps are taken by the committee.

3092-3. In your outline of evidence you state that hygienic advice and rules as to diet in certain cases have been given with great benefit to the persons concerned, who have returned to work earlier. Is that so?—Yes, one very bad case we had. There was a girl with eczema in a very bad form. The nurse found that the girl was on quite the wrong sort of diet, and the wrong sort of treatment as regards the soap to be used and so on, and had received no instruction from anyone until the appointment of the nurse, and under the nurse's treatment she was very rapidly cured. That happened in several other cases, but that was a very acute case. I think people of this class need advice as to food and so on in a general way.

3094. The advice referred to in this paragraph was as to diet, and was the advice of the nurse?—Yes.

3095. You say that you have been able to obtain surgical appliances on the nurse's advice?—Yes. She has found in her visitation that certain people have required certain appliances to enable them to get on with their work, and she has pointed out that it will be to the interest of the society to provide these simple

appliances, and that it would save the funds of the society. In several cases we have done that.

3096. On the question as to differences in the claims in different societies produced by differences in procedure, you have nothing to say?—We have no evidence in regard to that.

3097. And your society requires a continuing certificate every week?—Yes.

3098. Have you a special form of certificate?—Yes, we have one which was issued only a few weeks ago, and which was sent down by the commissioners. It has been adopted. I think there are 13 weeks on one sheet.

3099. Before that had you a form of your own?—We had not.

3100. You accepted the doctor's certificate each week?—Yes. It was usually on the National Health Form each week.

3101. Did the certificate that you accepted previously contain any statement as to whether the doctor had examined the patient at or about the time of giving the certificate?—Yes. It was the ordinary printed certificate which was in use for four or five months.

3102. I am not quite sure whether you took my question. Did the certificate contain a statement by the doctor that he had examined the patient before certifying?—Yes, that was printed on it. It was in the form of the certificate.

3103. In a few cases, acting on the report of your visitor, and after hearing the member, the committee have refused to pay benefit and have recorded the reason?—Yes. In a few cases.

3104. In those cases you did not accept the medical certificate as final?—That is so.

3105. You have had some experience in Bristol of the appointment of a medical referee?—Yes, we have. It has been very beneficial in our case. Up to this date we have referred 61 cases. There were certified as fit for work 43 per cent., then returned to work in preference to going to the medical referee 33 per cent., and 24 per cent. were certified as unfit for work out of the 61 cases.

3106. That referee was appointed, I believe, by the Bristol Insurance Committee?—Yes.

3107. At the time when the medical benefit came into operation, I think?—I think so.

3108. Dr. Bertram Rogers, I think?—That is the gentleman.

3109. You consider that your experience has been affected by local conditions in the Barton Hill District. Is that the district in which the majority of your members live?—Yes, the east end of Bristol.

3110. Will you just develop that part of your evidence?—I think that in a great many cases they are uncleanly and ill-ventilated homes. The nurse said that they are not as cleanly as they ought to be, and she cannot persuade them to open their windows. Then she has also complained that in a great many cases there is great personal uncleanness. She has given, herself, surgical nursing treatment to women with bad legs and so on. There seem to be a large number of these cases, and she considers that personal uncleanness plays a very important part in regard to that form of incapacity, and particularly the eating of unwholesome food. The nurse complains, and I have heard it said many times, that these people live upon pickled foods, and so on, instead of something more simple and wholesome. She considers that that has a great deal to do with the health of the people. Then in the fourth place, marriage without means is a contributory cause. You have a great many juvenile marriages, and the husband and wife of course both work to make up the family income. That is usually continued right through life. The wife works right along. It is regarded as a kind of insurance against widowhood. When they are reduced to widowhood, they have something to turn to as an occupation. I think that is so right throughout the textile industry. We have a large number of married women at work, and that is, in my opinion, one of the weaknesses of the societies—the fact of having these married women as members. There is more temptation to claim sickness benefit in their case than on the part of the single women.

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workers. Then the novelty of insurance has certainly affected us. The slightest indisposition has been seized upon to go on the funds, and they seem to have been able to get hold of a doctor's certificate in every case.

3111. (*Mr. Watson.*) Does the committee of management of the society consist of ordinary members or honorary members?—Of ordinary benefit members.

3112. And the reports of the sick visitor always come before the committee of management which meets weekly?—Yes.

3113. I see that the rules of the society require that sick members shall be at home within certain hours?—Yes.

3114. They are fairly strict. Between 9 at night and 7 in the morning in the summer, and between 6 at night and 8 in the morning in the winter?—Yes.

3115. Does the visitor pay as much attention to the question of possible breach of rules as she does to medical questions?—Yes, up to the end of March last when the 6 o'clock rule was in force, she paid a number of visits in the evening, and often found the people out at the picture palaces.

3116. What happens?—In one or two cases we applied the rule and struck them off benefit.

3117. You say you did that in one or two cases. Did the committee exercise some discretion as to whether to visit a punishment on members for a breach of rules or not?—Yes, they exercised their discretion. The members were brought before the committee, and they were informed what they had done, and what the result was.

3118. You cannot tell us, I suppose, how many complaints were made by the sick visitor of breach of rule?—I should say about a dozen, not more.

3119. Were the members in every case brought before the committee?—Yes, with perhaps one exception.

3120. And in how many cases do you think the committee inflicted some sort of punishment?—I should say in half a dozen cases, speaking from memory.

3121. Can you tell us why in the other cases no punishment was inflicted?—Where we felt it was pure inadvertence, or there was some good reason for being out, we waived the rule. When we found it was deliberate breach of the rule, knowing that they should be at home, we applied the rule.

3122. Have any steps been taken at any time to circulate among the members anything in the nature of information as to these penalties?—Yes. We issued a handbill pointing out all these things, as they were so ignorant of friendly society practice, early this year, and let each member have one of them, and particularly those who declared on the sick fund, showing them their obligations to the rest of the members as regards malingering and so on, and as to their being out of their homes in prohibited hours. We took every precaution that they should be informed of the point beforehand.

3123. And when a woman or man was convicted to the satisfaction of the committee of having broken the rule as to hours, and was struck off the sick fund, was that imposed by way of a penalty on people who were actually sick, or were there any cases in which the committee came to the conclusion that the member was really not sick?—The committee in their discretion only exercised this rule where they were convinced that the person was more or less fit for work. They were not hard in the matter, if the person was really ill. A warning was then given to them not to offend in that particular again.

3124. Do you think your visiting was so complete that you discovered a considerable proportion of the cases in which the rule as to hours was broken?—No, I do not think we caught at all a good percentage of them, because the committee constantly heard that people on the funds were breaking this rule. It was told at every meeting that so and so was seen here, there and everywhere in the evening after bedtime.

3125. So that really to secure observance of this rule among the particular class of people of which the membership is composed, instead of having one sick visitor you would want a number of people going round and visiting the sick members pretty well every

night?—Every night at every home to thoroughly check it with this class of people.

3126. I suppose we may assume that you have had about 200 cases of sickness?—About 270.

3127. And of that number you have referred 61 to the Medical Referee?—Yes.

3128. Will you tell us in some greater detail on what grounds you have made it a practice to refer cases to the medical referee?—The reports have usually reached us on the Monday evening, and the nurse has always said "This case is doubtful, and I recommend it being referred to Dr. Rogers." That has been the usual method. We have accepted that recommendation and done so.

3129. When did you begin to refer cases to the medical referee?—I should imagine it would be about the beginning of April, speaking from memory. I have not the exact date.

3130. So that the probability is that you have sent to the medical referee about 30 per cent. of the cases you have had since the beginning of April?—Yes.

3131. Were the cases mainly men or women?—Mainly women.

3132. Single or married?—Mostly married. There were a few single cases, but they were mostly married women.

3133. The married women are about 40 per cent. of all your women members?—There are about 203 married and 337 single.

3134. The cases referred to the medical referee were mostly married women?—I should say three-fourths of the cases we referred.

3135. I presume the committee considers that it is unable to regard a woman as working, who is doing no more at home than looking after her children?—The committee regard a woman as working if she is at home, doing her housework, and looking after her children.

3136. Do you put women off the fund for doing that?—We have had two or three cases of that sort, and have taken that step.

3137. Only two or three?—Only two or three have been found actually working.

3138. Do you think your system of visiting is sufficiently complete to enable the nurse or the visitor to discover most of the cases of working at home?—Our visitation was confined to once a week for the society, unless of course, it was a case that required nursing treatment, then she would probably call daily, but in the majority of cases, the visit was paid once a week.

3139. And the circumstances are then that a large number of married women go on the funds for complaints which certainly do not totally disable them, do not confine them to bed, or totally incapacitate them?—Yes.

3140. If they have a claim on the society under the rule they must be by the Act incapable of work, and ought not to be doing any housework, or anything in the nature of housework?—No.

3141. Do you find it extremely difficult to satisfy yourself as to whether they are, or are not, doing housework?—Yes. They look out for the visitor and if you call you find, if they have been doing any work, that they have stopped it at once. We had one case where a woman was scrubbing the bedroom floor. The nurse went up there and found her in bed, but she thought she saw a blouse protruding, and turned down the bedclothes, and the woman was in bed with her boots on fully dressed.

3142. And incapable of work according to the doctor's certificate?—Certified as unfit for work. There was a bucket of water, a scrubbing brush and soap on the floor.

3143. Suppose you had such a case as this—I think you have had such a case according to the papers which I have had the opportunity of seeing—of neuralgic headache for nine weeks and five days. Would you send such a case to the medical referee?—It would depend of course, on the report of the nurse on the question. I think I remember that case. It was regarded as genuine. Where a case is considered genuine, we have not been hard in referring it to the medical referee; it is only in really doubtful cases.

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3144. The committee have been so anxious to be fair and impartial to the members that they were satisfied on the report of the nurse, that a case of neuralgic headache was really genuine for so many weeks?—Yes.

3145. (Mr. Davies.) I notice that the name of the works is the Great Western Cotton Works?—Yes.

3146. And you have 700 women in the society. Can you tell us the nature of the employment of these women? You say men have less sickness and women have greater sickness. What is the nature of the employment as between the women and the men?—It is mainly women's labour, cotton-spinning and cotton-weaving, and all the relative employments attached to it, winding and warping and so on, and the men are confined to hoist work and the conveyance of goods from room to room—mechanics and labourers generally.

3147. The room in which the women work continuously, generally speaking, would not be the room in which the men are working continuously. The men are moving about?—Yes.

3148. I take it, in spinning and weaving, there is a certain amount of humid atmosphere?—In the weaving only.

3149. How many women work under these conditions?—About 600.

3150. Out of 700?—You must remember we only have 700 members in the society, we have 1,100 women workers.

3151. You have 700 women members. The experience you are giving us is of the 700 and not the 1,100, so 700 is the right figure to take?—When I say there are 600 weavers, we may not have more than 300 of these in our society.

3152. You cannot tell us the proportion of those who are working under these conditions?—I should say in the weaving we shall have about 250 of the 600 in our society.

3153. You could not give us any idea as to how many weavers are on the sickness list out of the number of women who have been on sick?—No, I have not got those figures.

3154. I was anxious to follow up your suggestion that there are a great many cases of uncleanness and ill-ventilated homes and eating unwholesome food, and whether the conditions under which they work should not have been put down as another condition of the ill-health of the people. I was trying to find out how many of them were working under these conditions, and if possible how many were sick out of the number which have been on your list, and whether that was not a considerable cause. You cannot give us that?—I have not got those figures at all.

3155. Can you tell us how many of them are married women who work under these conditions? You say the experience of married women is exceptionally heavy?—You mean, how many of the 203 members are working under weaving conditions?

3156. How many married women out of this particular weaving shed have come on sick?—I have not got the figures out exactly.

3157. It would have been interesting. I come from Lancashire and these conditions obtain there, and I was wondering if we could get some comparative conditions, and if you had given us the information, it would have been very useful. You say the married women have been the heaviest portion of those who have been sick?—Of those who have claimed.

3158. May I ask if they are young married women, or what you would term experienced? I do not like to call them old?—They are usually married women between 30 and 40 who have claimed on the society.

3159. Do you find that the claims arise in any large degree from pregnancy set out under another name?—Not in a large degree.

3160. Do you find any of your members, particularly among the young married women, who have gone to work until they felt it necessary to cease employment and have then gone on the funds with a certificate from the doctor for various causes, and have had a large number of payments in the shape of sick pay, and then said they were not going to work any more? Have

you checked that at all?—We have had one case of that sort. The woman ran the whole 26 weeks and had no intention of going to work again. For 6s. 6d. she has got out nearly 10l.

3161. She never had any intention of going to work?—That was the opinion of the committee.

3162. Can you give us any idea of the general health of these people previous to the Insurance Act coming into operation?—I should say the general health of the people was good before the coming into operation of this Act.

3163. There will be no reason then for the doctors in your locality, knowing the conditions under which they worked, and possibly knowing that they had had no chance, previous to the Insurance Act coming into operation, to rest, in order that some complaint which had been hanging over them should be removed, taking advantage of the Act to give the woman a chance to recoup, in order that she should be a woman in every sense of the word for after life? Knowing they have this chance, they are giving these certificates because they really require it, though they are not absolutely ill as you would term it?—I agree.

3164. You think that that obtains?—I do. In conversation with one particular doctor who has nearly the whole of our members, this is what he said to me: "Poor things, I would give them all a month's leave if I could." That was his attitude.

3165. I think that ought to be defined further because it might only be done from a spirit of philanthropy and good feeling. I should like to know whether the doctor really felt that an opportunity was now given to give them a chance of getting back to health—that they were not really ill, but were not in good health—and whether that doctor felt that this was an opportunity to put them in good health, and that it would pay in the long run, though immediately it might not appear to do so?—I am only afraid that they have not given so close attention to the panel patients. That is my own feeling.

3166. You will not allow me to be so charitable as to suggest that the doctor was looking to the future. You would suggest that it was more from carelessness than from design?—From reports which have reached me, such a large number have been waiting to be treated that not enough time has been given to each case to form such a conclusion as you put forward.

3167. I assume then that you have said under circumstances of that description they ought not to be put on the sick list. I thought you gave that reply to Mr. Watson?—Yes.

3168. And that if the general health of the people in years to come was to be affected by that, it would be better to keep them off and let them run the risk, that is your conclusion?—I think actuarially, the Act cannot bear such a strain as that being put upon it.

3169. And they ought not to have been put upon the fund?—No.

3170. With regard to the married people whose ratio of payment is equivalent to 10s. 6d. and 12s. 6d., am I to understand that your suggestion is, that generally speaking, the sickness was feigned and that they could have followed their employment?—Yes, I think so. I think they wanted a period at home in many cases.

3171. And with the help of the doctors, they got it?—Yes. Of course, as you know from your experience of the textile industry, cotton workers always have a rather anemic appearance and a yellowish cast of skin. I think for that reason, ours being the only cotton works at Bristol, the doctors are unusually lenient; they are under the impression that they are all ill.

3172. A doctor does not take an ordinary impression; he diagnoses a case?—He does, if he looks at it properly.

3173. I was wondering whether, in making a statement of that description, seeing that you have had such a heavy experience according to your statement, and you now seem to think that the sickness was not of a character to go on the club, you realise that the doctors must have been exceedingly generous in

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giving certificates when people were not sufficiently ill?—Yes.

3174. And that they keep them on longer than is necessary?—Yes.

3175. The doctors help them to keep off work by giving certificates? If a woman has been unwilling to return, and has asked for a certificate each Friday she has had no difficulty in getting one?—That is our experience.

3176. Where you have any doubtful cases, what is your system of following them up?—By more frequent visits on the part of the nurse, and then finally by reference to Dr. Rogers of any doubtful case.

3177. And the committee in every instance review the case before taking the other step?—Yes.

3178. You state in your outline of evidence that the ordinary sick visitor was found to be of no use, why was this? Were they afraid, being their fellow workmen, that if they reported anything unusual, it would affect their employment?—It would have affected their employment in this sense, that they would become unpopular with their fellow-workpeople, and would probably get into trouble with them.

3179. So you only mean ordinary sick visiting with regard to your own society. You do not infer that ordinary sick visiting in any other direction would be of no service?—My own friendly society experience, apart from our own works, is that the ordinary sick visitor, as compared with the trained nurse, is not as efficient in any sense of the word.

3180. You say that amongst those visited 31 per cent. of the cases were anæmia and debility; what were the 69 per cent.?—Maternity sickness benefit 17 per cent., anæmia and debility 31·26 per cent., rheumatism 8·19 per cent., digestion troubles 7·21 per cent., influenza 5·04 per cent., respiratory diseases 11·99 per cent., gynecological diseases 3·69 per cent., skin diseases 8·37 per cent., throat diseases 2·53 per cent., dental troubles 2·72 per cent., and various 2 per cent.

3181. Having regard to that exhaustive list, you still have the opinion that there is an excessive sickness which ought not to have been?—Yes, in respect to anæmia and debility. Those are the common complaints which go to the Medical Referee. That is the experience.

3182. If you have a trained nurse, you would have a chance of submitting these cases to a referee, and 61 per cent. or two-thirds of the whole cases, are wiped off the list, leaving you one-third?—Yes.

3183. And you make this statement that that happens largely because the doctors are not as careful as they might be in certifying cases on, when they are well and ready for work?—Yes.

3084. May I ask what the works' medical fund is?—This was a fund which continued for 70 years, since the beginning of the works; 1*d.* per week was charged to each person employed.

3185. Deducted from their wages?—Yes, by agreement of course, and they were entitled to medical attention and medicine both at the surgery and at their homes.

3186. They had no sick pay?—No.

3187. So that there is no augmentation of the State sickness by reason of this works' medical fund? None at all.

3188. So that does not allow any question of over-insurance?—No.

3189. (Mr. Warren.) From your experience you have no reason to question the *bona fides* in respect of the men's claims?—I have no reason to.

3190. You regard the insured men that you have in your approved society satisfactorily?—Satisfactorily, yes.

3191. There are no unjustifiable claims in respect of them so far as you have knowledge?—None whatever.

3192. But the trouble exists in respect of the married women?—Almost exclusively married women.

3193. Do I take it that you are satisfied as to your system of sickness visitation?—Yes, at any rate on the one visit per week system, our system of visitation is as perfect as it well could be.

3194. That is, that every person claiming benefit is visited?—At least once a week.

3195. Do the visitors find the women at work in their own homes?—They have, as I have said before, been found in one or two cases where they have been at work at the washtub or other work.

3196. They are able to ascertain these cases without any great difficulty?—It so happens that they catch them doing it.

3197. What is the average wage earned by the women in your works?—I should say by the weavers about 15*s.* a week, and a good weaver can earn up to 18*s.*, but as we employ a number of younger girls who are learning, it brings the average down to 15*s.*

3198. Having regard to the amount they can save, say, in respect of not having to pay for the care of the children, it represents a difference of from 3*s.* to 5*s.* per week?—Yes.

3199. There are other savings when they are at home, are there not?—I do not know as regards house-cleaning; I think they do that in the evening. There may be cases where they save a little more on that.

3200. But generally speaking, in the case of the women who are engaged in the textile trade of Lancashire practically anything in respect of the home has to be bought either ready made, or ready cooked?—That is so. The women of course do their own baking, which does not obtain in the West of England; the bread is usually bought, but in Lancashire, I think, they bake their own, which means a saving of 1*s.* a week.

3201. That is saved when they are at home. From your experience, would you say a woman would regard herself as just as well off financially if she should receive 7*s.* 6*d.* per week at home, as if she was at work?—She would not feel herself as well off, but sufficiently well off to make staying at home for a few weeks a pleasurable change.

3202. It would offer an inducement?—Yes.

3203. Practically all your members associating together in the works, and more or less living in the same area, have a knowledge of one another?—Yes.

3204. So that they are in a position to check malingering?—Yes. That is of course where they are willing to do it, but we know that some will not tell of others.

3205. I take it from your remarks earlier this afternoon that you regard that as a considerable advantage—the fact of the members of a society knowing one another fairly intimately?—Of course our foremen, as they move about,—our committee consists of foremen—are able to ascertain this information by inquiry, and that of course would not obtain in other societies. What I meant a minute or two ago was that it would not follow that a woman who knew that another person was malingering would necessarily tell about it, but at the same time it is more liable to be found out in one way or another in such a place as that.

3206. In your opinion, the members of your society, at any rate the women, have not yet understood the real meaning of insurance?—No.

3207. They do not regard it, I think I heard you say, from the friendly society point of view of mutuality?—That is so. They do not; they have no experience of it. I think they need education on that point.

3208. Have you any knowledge of friendly society work?—Yes, I have had about 12 years' experience of it.

3209. Intimate experience?—Yes. I have been a member of a branch committee and a secretary.

3210. And you know the procedure?—Yes, quite.

3211. Of course, over-insurance does not come in?—Not in our own case.

3212. Do you find any difficulty in respect to the administration of medical benefit?—No, we have had no difficulty in that respect.

3213. With regard to the attitude of the doctors towards the members of your society generally, what do you say?—It has been one of great leniency.

3214. Have you any knowledge of certificates being given without the sick person being seen by the doctor?—No. I am afraid that I have no evidence that I could offer on that point.

3215. Continuing certificates?—I suspect that continuing certificates may have been given.

* See Question 3105.

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3216. You only suspect?—That is through the rubber stamp business.

3217. Have you any knowledge of the relatives of sick persons obtaining certificates on their behalf by attending at the doctors' surgeries?—No, I have no knowledge of that.

3218. Do you know if any number of your certificates are post-dated?—No, we have not had any post-dated certificates, but we have of course had ante-dated certificates in one or two cases.

3219. (*Mr. Mosses.*) Is the business that you carry on identical in all respects with the cotton industry in Lancashire?—It is quite a standard spinning and weaving mill.

3220. The registered office of the Bristol Cotton Works Health Insurance Society is 22, Maze Street, Bristol. Is that the office of the company?—No, it is just outside the gates.

3221. Is it on the property of the company?—Yes, over a shop outside.

3222. Is your works' club still in existence?—I suppose you are referring to the medical fund. No, that has ceased.

3223. Has it been superseded?—Yes, we ceased to work it altogether except in regard to children under 16.

3224. When your medical fund was in existence, was it a condition of employment that every operative should belong to the fund?—It was a condition of employment.

3225. You say you employ 200 men and 1,100 women of which number 700 women are insured members?—No, there are about 700 insured persons in our own society, and the remaining 300 or 400 are in other societies. To be accurate there are 540 women in our society.

3226. That is rather less than half?—Yes.

3227. How many men?—130. That is a total of 670 exactly. That is the average cards surrendered.

3228. Does any disability attach to those of your workpeople who do not become members of your approved society?—None whatever. They are at liberty to choose which society they like.

3229. Put it the other way round. Is any preference of employment given to those who do?—None whatever. The management as a matter of fact do not know who are in our society, and who are in any other society.

3230. Is this association confined to your works?—No, in this sense: if anyone leaves there is no compulsion that she should go into any other society. We have a number of members outside the works who have found other employment, but who have still remained members.

3231. Do you cater for others outside your works?—Not specially.

3232. You would admit them. I see that the rules state that the society shall consist of an unlimited number of members?—Yes.

3233. Any insured person qualified to contribute for benefits under the Act may apply?—Yes.

3234. That of course refers to anyone who cares to become a member of your approved society?—That is right.

3235. And has that privilege been largely taken advantage of?—Not at all outside the works.

3236. Although you have the power to admit outsiders, you do not exercise it?—That is so. No one has applied from outside.

3237. Presumably you have not put yourselves out of the way in order to induce anyone to apply?—No, we have not.

3238. Are there a great number of your members who are also members of friendly societies?—Yes; in regard to the men only. A number of the men are in other friendly societies as well as in ours.

3239. Is there much unemployment among your approved members?—No; there is no unemployment.

3240. No unemployment?—No, we have more employment than we can find workers for.

3241. With regard to the formation of the committee, you have several times referred to it as being composed of foremen. Are there any women on the committee?—No.

3242. Why not?—We could not get a single one to go on to the committee.

3243. Was that by accident or by design?—No; it was honestly tried, and not one would go on.

3244. You gave them every encouragement?—Every encouragement. I did so personally. I tried to get them to go on, but they have been so indifferent to the Act from the beginning. They regarded it at first as a huge joke, and then they went for it for all they were worth, but they would not go on to the committee. They are so indifferent that we have difficulty in getting a quorum for a general meeting. We have a difficulty in getting twenty of them for a general meeting.

3245. They do not consider it a joke to draw these extensive benefits?—No, they do not.

3246. You do not either?—No.

3247. Is the firm directly represented on the committee except by yourself?—No, sir, it is not represented, only in this sense, that they are all insured persons that are on. The president, for instance, is one of my clerks.

3248. One of your clerks?—Yes; of course he is a capable man, a friendly society man, a Rechabite.

3249. Are any of the rank and file workmen on the committee?—Yes, there are.

3250. It is not composed entirely of foremen?—No, not entirely foremen, but principally foremen.

3251. You have made a complaint which has been very generally made at this inquiry, that your doctors very easily grant certificates. You find them very complainant in the way of granting certificates?—Yes, that is our experience, and it has been one doctor more in particular. He is one of the men who administered our medical fund before. He was a very popular doctor, for giving people certificates for abstinence from work. You know what it is at large works like ours. If they want a day off, there is only one way of getting it, and that is by getting a doctor's certificate. They always get it, and the best doctor to go to was this one. As a result the doctor who would not give the certificate has only got one hundred, and this doctor has got one thousand.

3252. You find that the complainant doctor gets the business?—And he will very likely get a few more when the change takes place in January.

3253. That is an important point?—It is. He has already 2,000 on his panel, and he will very likely have 3,000 in January.

3254. Approximately how many doctors attend to your workpeople?—I should say not more than four. This gentleman has the majority.

3255. Practically a monopoly?—That is so.

3256. And that is partly attributable to what?—It is a well-known fact in the district that he is a lenient doctor, and that you can get a certificate from him at any time. Of course, I have had conversations with him, and, as I have indicated before, he is quite careless about it. He says "Your poor people all want a holiday." That is the spirit in which he approaches it.

3257. He is a sympathetic doctor?—Sentimental if you like.

3258. Is the right of appeal against your sick visitor largely taken advantage of? Are there many appeals to the committee?—No, there have not been many appeals to the committee. About six to a dozen perhaps.

3259. Does your sick visitor pay the sickness benefit?—Yes, that has been our practice latterly, to pay it each Friday.

3260. And is that the one visit per week to which you have referred?—Yes, that has been the visit.

3261. (*Mr. Thompson.*) I did not gather whether your nurse visitor, beyond giving advice and making inquiries, was actually engaged in sick nursing among the members?—Yes, she is where it is required.

3262. When she has time, she is?—It is an understood thing that first she is a visitor, and that secondly she is to give nursing treatment.

3263. Have you discovered whether the sickness rate has been decreased among the married women as the result of the sickness visiting? I do not mean isolated cases, but whether the rate has decreased?

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—I could not speak on that point. My own feeling is that had we not had this nurse, our sickness experience would have been double what it is.

3264. You would agree from your experience of friendly society work that sick visiting has always been regarded as a great safeguard against excessive claims?—Yes, but I have never regarded sick visiting very seriously in friendly society practice. I think that the honour of the member has been largely depended upon. I think that the friendly society practice of sick visiting has been quite a formal matter up to the present, and that is why I condemn it as not being as efficient as when it is carried out by people trained to the work.

3265. Could you give us any suggestion—perhaps it has occurred to you latterly as the result of other things being tried—whereby the claims might be reduced?—I certainly think that people of the class we employ need some kind of instruction in the manner of living, and in the matter of the food that they eat. To my mind those are important things. In fact, the company has considered it very closely, and in connection with this nurse we are developing the thing still further. We are providing on a large scale a dining room to sell the food to the people at a very low rate, so that they can get a dinner at threepence a time, where they now have a 1d. worth of pickled cockles or something of that sort—for a dinner, mind you. We are going to provide them with dinners at a low rate. We find it necessary. We think that it will be in the interests of the company, and in the interests of their health generally to do that. To my mind the whole of the poorer classes of insured persons need some instructions in the manner of living.

3266. (*Dr. Fulton*.) You say that your great trouble are the married women?—Yes.

3267. Your sickness experience of the single women in your factory is quite satisfactory?—Not quite. It exceeds the actuarial provision, and that of course could be improved upon, as I have indicated, by teaching them a different way of living. It has been exceeded by 3d per member per week, which is not quite satisfactory.

3268. How do you account for the difference in the sickness experience of the married and the single women? They are, I suppose, attended by the same doctor as a rule?—Of course as a rule the married women has a husband, and she can afford to stay at home better than the single woman. She has someone to depend upon in the first place, and the allowance that she gets from the society is not her only income.

3269. She would lose something financially by staying at home?—A little financially.

3270. About how much, 3s. or 4s. per week?—I should say about 5s.

3271. So that when a doctor tells them to stay at home, he is inflicting some monetary penalty upon them?—Yes, she is certainly suffering that monetary penalty.

3272. And with regard to the single women, do they not usually live at home?—No, in a great many cases they live in lodgings.

3273. They come from outside districts?—No, but they are largely people who live in lodgings, though I could not say why.

3274. Their homes are not in Bristol?—If they are, they have left their homes.

3275. You have not had much trouble with illnesses caused by pregnancy? Are you not troubled with your married women with reference to varicose veins?—There has been a little trouble in that respect.

3276. Would skin troubles, in the classification you have mentioned, include varicose ulcers so common to women of 40 years of age?—I should think that it would.

3277. You do not actually know?—No; the nurse got me out this list.

3278. Dealing with the question of the granting of certificates to these women who do some work at home, would you say that the strain of homework was as heavy as that of factory work?—Not at all.

3279. So that when a doctor gives them a certificate that they are incapable of work, is he thinking of

factory work or homework?—I certainly think that he is looking at factory work, and only that.

3280. In what way would you say that it is heavier?—It requires unremitting attention throughout the day, particularly at weaving. The shuttle has to be fed every few minutes, you see.

3281. And there is no opportunity for sitting down?—No, I do not think that there is much, certainly not more than a minute at a time.

3282. Of course a woman working at home, whether doing house work, or as a night worker would be able to rest for a time?—Yes.

3283. There is not the same continuous strain physically on them?—No.

3284. And in the case of women with varicose veins, or with varicose ulcers, they would possibly be able to get some rest, whereas it would be harmful for them to be in the factory?—I am quite ready to admit that.

3285. I only want to get at the truth. And that may to some extent lead the doctor to give a certificate?—Yes, I should say so.

3286. Would it help you if the rules of your society were so stringent as to prevent women doing any house work whilst on the funds?—I do not think so. I do not think that we should push it so far as that.

3287. You would not push it so far?—Not so far as slight household duties, but we should consider that to do the family washing was as hard as the daily work.

3288. Or harder?—Yes, or harder.

3289. That means a great deal of visiting?—Oh, it does.

3290. If there were such a rule, and a woman knew that she would not be allowed to do any house work whatever, and in other words that she would have to use the money to pay someone else to do it for her, would it help the doctor in refusing the certificate?—I think that it would, and that it would also benefit the society and be better for the women.

3291. Your experience here is largely with one doctor, is it not?—Yes, largely.

3292. With a particularly sympathetic heart?—That is so.

3293. But his sympathy seems rather to go out to married women than to single women?—Of course, none of the married women are old. I do not think that the average age would be very much.

3294. You say that your excessive sickness is principally among married women of from 35 to 40?—Yes, but that is only young.

3295. But you do think that to some extent your principal doctor is influenced by his intimate knowledge of these women, whom he has attended for years, and of their various ailments due to child-bearing, and so forth?—Yes, that is so.

3296. Does your nurse ever refer to the doctor if she thinks that a case should not be on the funds, or does she go direct behind his back to the medical referee?—She often has a conversation with the doctor.

3297. She does?—Yes, and he has admitted to me that this appointment has been of the very greatest assistance to him.

3298. Especially in carrying out his instructions?—Yes, and also in enabling him to get to know the precise conditions of these people. They will often withhold information from the doctor which they will tell to the nurse.

3299. You say that patients say that they have received no instructions at all about their diet?—That is our experience.

3300. Are you prepared to agree that possibly they have been told, but that they have taken no notice? At least in 25 per cent. of the cases you sent to the medical referee, your impression about them was wrong?—Yes, that is so.

3301. Is it not the fact that in Bristol a very large percentage of the cases that are seen by the referee are sent by the doctors themselves?—I do not know.

3302. You do not know, not of your own personal knowledge?—No, but I know this, that many of the doctors are not opposed to the medical referee. They look upon him as a help. They say, that when they cannot push them off the fund, he does it for them.

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3303. (*Dr. Pearce.*) You say that the home surroundings of your workpeople are also very indifferent?—Yes.

3304. And that the food is very indifferent?—Yes.

3304a. So that you would naturally expect that such conditions as anaemia and debility would be common?—Yes.

3305. And you would expect your sickness rate to be higher than, say, that of the domestic servants in Clifton?—Yes, I should say that, but I should not necessarily say that they were incapacitated from work altogether.

3306. No, you would say that their average condition would be lower?—That is so.

3307. But it is not such as to prohibit them being at work?—No.

3308. Can you tell me what is the average age of your women workers?—I could not give it you accurately.

3309. I do not want it accurately—roughly?—I should imagine about 35 or 36.

3310. Do they work in the mill till late?—We have them working up to 70 years of age. We have a good few over 60.

3311. They do not necessarily leave the mill early in life?—No.

3312. Is your experience that excessive sickness is dependent on short illnesses, or on long illnesses; illness of a few days' or of a few weeks' duration?—I think that the trouble with us has been that they have been too prolonged altogether.

3313. You say that the sick pay is taken round in the course of sick visitation?—Yes.

3314. And that is combined with a sick visit. Is it all done on the same day?—Yes, usually on a Friday.

3315. Does it follow from that that the sick person always knows the day when the sick visitor is coming?—That is so. That is the weakness of our system.

3316. You say that the effect of the nurse visitor has been very marked in the reduction of sickness, and that your experience would have been doubled but for her work?—Yes.

3317. In what way? by her actual nursing work? In what way has she reduced the sickness rate?—In the first place she has deterred a good many of them from coming on to the funds for frivolous reasons, because they were likely to be referred to the medical referee.

3318. She has seen cases which are not actually on the funds?—I do not quite know that.

3319. If she has deterred them from coming on to the funds, she must have seen them before they were on the funds?—I mean this: If a number of them intended going on the funds, and they knew that we had no system of check, it would be much easier for them to do so than it is now when we have a nurse. Her presence as a visitor has deterred them from going on for frivolous reasons. It is a common thing if work becomes bad to say "I will stay out, and go on insurance." That is a very common thing. If we have a petty strike, they will attempt to go on the funds. I am afraid that when bad times come the society will suffer very seriously. But when you have a nurse to check these cases, it becomes less easy for them to go on the funds than if you have ordinary lay visitors.

3320. Do you ever refer certificates back to the doctor?—No, I do not think that we have ever done that. When the nurse has found a case in which she considers there has been a wrong diagnosis owing to facts which have come to her knowledge, and which have been withheld from the doctor, she has communicated with the doctor on the point.

3321. (*Dr. Lauriston Shaw.*) With regard to this very complainant doctor, he has not been made complainant by the Insurance Act?—No, I do not think that he has altogether.

3322. You knew him to be a very complainant person before the Act came into force, and because the insured persons knew him to be very complainant, he has got a large amount of work?—That is so.

3323. You have tried by persuasion, have you, to make him less complainant?—Yes, I have had many conversations with him myself, but I could never move

him beyond this point; that the poor things wanted a holiday and a rest, and wherever he can give them one, he will.

3324. Have you tried the effect of sending a large number of his patients to the medical referee?—Yes, of his cases 78 per cent. have been sent back to work. He has the largest number of cases submitted to the medical referee. I sent the figures along to him, and he was very much alarmed.

3325. It is possible that when insured persons recognise that if they remain on his list they will be sent to the medical referee, it may make them almost disposed to go to the other doctor?—I do not know about that. They have great faith in him.

3326. Before the Insurance Act came into force, was it possible for you to discharge him?—Oh, yes.

3327. You could have discharged him?—We could, but it would have been a matter of difficulty. You sometimes have difficulty with your workpeople, if you do something of which they do not approve. They are very sensitive.

3328. They had no power of preventing you discharging him, but they might have resented it?—Yes, they might have gone out on strike as they frequently do for things of that sort.

3329. It would be possible now, if you thought that there was a good case for saying that this doctor was detrimental to the medical service, to get him removed from the panel?—Yes, there is the machinery for it.

3330. You told us that patients wanted instruction in healthy methods of living?—Yes.

3331. Do you think that such instruction would be more likely to be valued if it were given by a kind doctor, than if it were given by a doctor whom they regarded as looking after the interests of the works?—It is difficult to answer that question. It all depends upon the temperament of the person with whom the doctor is dealing.

3332. If you could persuade this complainant doctor to throw himself whole heartedly into the question of the diet of these patients and their methods of living, you would have some hope that they would follow his advice?—Yes. I think that if these people were earnestly urged to eat certain things, and to do certain things in regard to their health, they would do it; but their condition arises from pure ignorance. They have never been taught anything different. There seems to be no attempt to teach them.

3333. You see no way out of the difficulty caused by this complainant doctor except to get him off the panel, or to persuade the patients to choose another doctor?—Yes, or to get the doctor to improve in those respects.

3334. Do you think that it is brought home to the doctor that he is actually certifying patients as totally incapable for work?—Yes, I have given him these results.

3335. You have pointed out to him the actual certificate he is signing week after week?—I have not given him the actual certificate. I have given him the case, the name and so on, and what the result has been.

3336. (*Miss Teens.*) You discourage claims for pregnancy, I think?—Yes.

3337. Do you pay at all for cases of advanced pregnancy, or do you refuse them?—No, we made a rule at the beginning that we should only pay for four weeks after the time of confinement. That seems to have been well understood and agreed to by the members.

3338. You have had a good many maternity claims. Are most of the women attended by midwives or by a doctor?—For the most part by midwives.

3339. A very large percentage of your claims are from married women. Do you ascribe this to lack of attention at child birth?—No, I do not.

3340. You think that they get quite efficient attention?—I think so.

3341. You do not seem to think that their claims are due to that?—They seem to get back to work nicely.

3342. You have found this nurse of very great assistance to you?—Yes.

3343. She seems to do a good deal of work which ordinarily comes under doctor's work?—That is so.

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[Continued.]

3344. Does she actually order these appliances herself?—Yes, she undertakes to get what they need, and in cases of difficulty she does it with the assistance of the doctor of the woman concerned.

3345. She would consult the panel doctor?—Yes, if it were something about which she should consult the doctor.

3346. I suppose that in her visits she does almost act as a health visitor. I mean that she talks to the women?—Yes, she does.

3347. So that she is an agent educating them?—She was a health lecturer for the Bristol Education Committee, to the girls in the schools, before she was appointed by us.

3348. When cases are sent to the medical referee is there any reference to the panel doctor? Does he have an opportunity of meeting the referee?—The procedure is this: We send the name and address of the member and of the doctor concerned to the Bristol Insurance Committee. They submit the name to the referee, and the referee communicates with the doctor concerned, and he has an opportunity of being there or of expressing an opinion upon the case.

3349. (*Miss Macarthur.*) Will you tell us at what age your women usually enter the mill?—At about the age of fourteen.

3350. Not under any circumstances under the age of fourteen?—Oh, no.

3351. You have no half-timers?—No half-timers.

3352. You never have had?—No, not in recent years. I think that some ten years back they had some half-timers.

3353. Some of the women you have with you now have been with you for many years?—Oh, yes.

3354. Have any of them been so long as to have worked as half-timers?—I should say so.

3355. Some of them have?—A good many.

3356. At what time do they start in the morning?—6 o'clock.

3357. Do they live near the works?—As a general rule they do.

3358. I think that you said that they stopped at 5.30?—Yes.

3359. When do they have their first meal-time?—From 8.30 to 9, and then from 1 to 2 for dinner.

3360. How many looms have they to work?—Two, three, or four according to their capability.

3361. Have you many working four looms?—A great many, the larger proportion.

3362. Have you any accidents at all?—Yes, we have about forty or fifty minor accidents a year, mainly to fingers.

3363. These have resulted in incapacity from work?—Yes.

3364. Have these people rendered incapable of work received benefit?—They have received it through the accident insurance.

3365. In every case?—Not through the health insurance, but under the Workmen's Compensation Act.

3366. So that you have had no cases in which you have paid for accident?—No, not one.

3367. Not even a portion?—Not one.

3368. The compensation has always exceeded the amount of sickness benefit?—Yes, the amount of the benefit, that is so.

3369. Do your women while pregnant come to the mill and work?—Yes.

3370. For how long, up to what point?—On the average up to within a month of confinement.

3371. Do many of them leave a month before confinement?—Yes.

3372. Is that at the desire of the firm?—No, it is purely optional. I have known of a case in which the woman has worked up to within a day of confinement.

3373. But some of them do leave?—Yes.

3374. And during that month they get no benefit?—No, they have no benefit.

3375. I see from your outline of evidence that you have had some difficulty with the doctors with regard to pregnancy cases, with regard to various conditions arising from that condition being certified instead of pregnancy. When you find that a woman, certified as suffering from "debility," is in reality pregnant do you

take any action with regard to the payment of the claim?—Yes, we have enforced the general rule to which the members generally agreed that we pay for no cases of pregnancy.

3376. Even if there is certified debility or varicose veins?—We have not paid in any single case.

3377. Not even for varicose veins?—We have paid for that.

3378. And for threatened miscarriage?—Yes, we have paid for miscarriage.

3379. But only in those two cases?—That is so.

3380. You say that you pay four weeks after confinement? Do you do that on the certificate of the midwife?—Yes.

3381. Have you in any case paid for more than four weeks?—No, we have not.

3382. Have you had claims for benefit after the four weeks?—We have, but these have been refused. We have limited them to four weeks.

3383. Even if the doctor has certified the woman as incapable?—That is so.

3384. Would that imply that the woman was suffering from some complication?—No, if it were felt that it was something apart from the confinement, we should pay.

3385. But if it arose out of the confinement, you would not pay?—We have not done so.

3386. After four weeks?—That is so.

(*Chairman.*) I am not quite sure that I follow that answer.

3387. (*Miss Macarthur.*) Supposing at the end of four weeks the woman made a further claim for benefit, and the doctor certified her as being incapable for work, would you refuse the claim?—Yes, that is so.

3388. If on the certificate he certified her as suffering from some complaint arising out of the confinement, would you still refuse?—We should under this rule, but we have not had such a case except debility, and we felt that it was not of such a character that we could recognise it.

3389. So that you have actually refused debility?—Yes, that is so, but it has only been debility. We have had no complication beyond that.

3390. You do not know what you would have done?—No, I was saying that would have been our practice.

3391. The general practice is that the women go back to work after four weeks?—Yes.

3392. Some work right up to the time of confinement and go back four weeks afterwards?—That is so.

3393. Under these circumstances would you not expect the women to suffer from various complaints?—I do not know. They seem to be a very healthy class as regards child-bearing.

3394. A part of your evidence was that the average sickness among married women was high?—Yes, but that does not necessarily mean that they were really ill. Only that their claims were high.

3395. With regard to the admission of members to the society, I take it from your rule book that you admit them without medical inquiry?—Yes, we admit everybody without medical certificates.

3396. You seem to be very pleased with the services of this nurse you have employed?—Yes.

3397. Has the actual amount of sickness benefit paid gone down since her employment?—I cannot say that, but we had indications that it was going up to an alarming extent.

3398. And she put the brake on?—Yes.

3399. Even if it did not actually cease?—That is so.

3400. Does this nurse wear uniform when she goes round?—No, we thought it inadvisable.

3401. Can you give us any light on that?—Our experience was that the moment she entered one of these long streets they all knew immediately. We therefore thought that it was not a wise thing to do.

3402. Is she paid a weekly salary?—Not a weekly salary. We pay her 70*l.* a year.

3403. And her hours?—Are from ten to four.

3404. And she is allowed expenses, I suppose?—Yes.

3405. This nurse seems to me to have made some sensible remarks about diet. She has noticed that a

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lot of women live on pickled food, and she would advocate simple and wholesome food?—That is so.

3406. Do you think that the fact that the women are employed all day in the factory would have any effect in the choice of food?—I do not know. I suppose it is due to the fact that they have never been taught the proper way.

3407. But have they had any opportunity of cooking?—Only in the evening, you see.

3408. I have been very much interested in your committee. You said several times that it consisted mainly of foremen, and that the chairman is your chief clerk. Could you give us any idea how many foremen there are on the committee and how many other people?—I should say that about two-thirds would be foremen.

3409. Two-thirds foremen, and what are the others actually?—They are mechanics, and men of that class in the works.

3410. You do not count the clerk as a foreman?—No.

3410a. Are there other clerks?—Two clerks, foremen, and ordinary workmen.

3411. Less than one-third ordinary workmen?—Yes.

3412. I suppose that you work very easily on this committee, and that you do not have any friction or difficulty?—No, we have had no friction or difficulty.

3413. The committee is not inclined to dispute your view in any way?—They freely express their opinions on things, and I have simply acted as the secretary. I have not in any way forced their hands.

3414. But there has been no friction?—None whatever. They have done just what they thought best.

3415. I was very interested in your replies to Mr. Watson regarding suspension for the breaking of rules. You have not taken advantage of your rule to inflict fines in such cases?—We have not inflicted a single fine.

3416. When suspending the benefit have you notified the member?—Yes.

3417. Have you stated for what period it was suspended?—Only for the present, and it has generally resulted in an immediate return to work.

3418. Generally, but not always?—I could not name a case where they have not returned to work.

3419. And you have been satisfied that they were quite fit for work?—Practically.

3420. Have any of these women gone on the fund again?—We have had a few cases where they have had recurring illnesses.

3421. After going back to work?—After going back to work.

3422. Have you had any appeal to arbitration under your rules?—None at all.

3423. I suppose that the firm take a great deal of interest in the society?—I could hardly say that, not a great deal of interest. That is to say they have not helped us financially in any way.

3424. But they are in touch with what you are doing?—Of course.

3425. And I suppose that they are very much concerned at the rate of sickness?—Yes, they have been rather concerned.

3426. And beyond what you told us about supplying meals, no other suggestions have been made?—Yes, that of course has arisen from the work of the nurse and her daily reports. We have talked over these matters, and she has advocated this way, this giving them better food, and we are acting upon it.

3427. But that is the only suggestion that has come from her so far?—That is so. I mean in a practical way.

3428. Have you any restaurant at your place?—We are starting one now.

3429. You have not had one up to now?—No.

3430. With regard to that case, to which Mr. Watson referred, of neuralgic headache lasting for nine weeks, you were satisfied in that case that the woman was really incapacitated?—We were.

3431. I am rather specially interested in this case, could you give us any details?—If it is the case I have in mind, she had considerable pain in the head for a long period, and matter issued from her ears, and in view

of those facts we considered that it was sufficiently serious. I think that they were afraid that there was some internal disease.

3432. I take it that you have shown yourself very anxious to safeguard the funds of your society?—Quite.

3433. And not to allow any unjustifiable claims?—Yes.

3434. In this particular case, you were absolutely satisfied?—Yes. We have freely and willingly paid all cases of genuine sickness, and it is only in cases of doubt that we have taken any action at all.

3435. (*Miss Wilson.*) I have not been able to understand the position of the nurse. With regard to her nursing work, does she only nurse a case if the doctor directs it, or does she act quite independently?—Whilst in some cases she is acting with the doctor, as a general rule she is acting without the doctor's knowledge.

3436. She does not object to it from a professional point of view?—Not at all. For instance, we have every day numbers of cases of people in the works with bad legs, varicose veins and so on. We have an old doctor's surgery which the nurse at present uses, and she attends to people who have bruises, and things of that sort.

3437. I was thinking of the insured persons under medical treatment. Does she prescribe for them, so to speak, without consultation with the doctor?—She does not prescribe.

3438. I mean that she gives rules as to their diet, does she?—Yes, in a general way, but she takes care not to overstep the mark.

3439. With regard to the actual nursing, apart from the detective work, does she consider herself under the doctor's orders or your servant?—She looks upon herself as our servant.

3440. As your servant altogether? As regards her nursing work as well, and she does not consider that she is acting under the doctor in the way a nurse usually does?—That is so.

3441. What were her qualifications?—She is a qualified nurse, and formerly she was a ward sister-in-charge of the Cardiff Infirmary.

3442. Of long experience?—Yes. She was Health Lecturer to the Bristol Education Committee and also to the Somerset Education Committee.

3443. And you pay her 70*l.* per year?—Yes.

3444. Supposing she had given certain rules to patients as to diet, and they were found to be disobeying them, would that be considered a reason for suspending them?—No.

3445. It is just in the nature of advice?—It is not a rule. It is purely advice.

3446. Again you used the word "rule" in reply to Miss Macarthur with regard to pregnancy cases. You spoke of it as your rule, and you said that you did not pay for more than four weeks after confinement. Is that a rule in this rule book?—No, not a rule in the book. It has been a sort of regulation and understanding, to which no one has objected particularly.

3447. There has been no question of appeals to the Commissioners on that?—No. I think not.

3448. In the case of people who had certificates from the doctor for sickness?—No.

3449. Have they appealed to your committee at all?—Yes, I think that we have had two appeals on that score.

3450. Have they not gone to arbitration?—No, we have had no arbitration at all.

3451. You mean that they were more in the nature of complaints?—Yes, they came to see the committee about them.

3452. But they did not carry it to the length of going to arbitration?—No.

3453. But they showed dissatisfaction?—Yes, but only in a mild way.

3454. Is it a written rule? What do you mean by calling it a rule? Did you tell your members that it would be so, when they entered the society?—No, we have let it be understood. At the beginning we had quite a large number who wished to cease work four weeks before confinement.

3455. Yes, but at the moment, I am on the after-confinement cases. You told Miss Macarthur that you in no case paid for more than four weeks even with a

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doctor's certificate. Was that understood when they became members of the society?—It was not brought to their notice in any way.

3456. It was only if they happened to know it?—We have taken that to be the spirit of the Act as it was set forth by the Chancellor of the Exchequer, four weeks at 7s. 6d. making 30s.

3457. You have taken it to be the spirit of the Act. It is your way of interpreting it?—Yes.

3458. I will not carry it any further. Then as regards the claims beforehand, have you in the same way taken it as the spirit of the Act, that you would not pay in any case for pregnancy even with some complication, except as you have stated for varicose veins?—Yes, and miscarriage or abortion.

3459. You mean miscarriage that has actually occurred, not the fact that the doctor considers that it would be dangerous?—Actually occurred.

3460-1. (*Dr. Smith Whitaker*). There are several points arising out of the questions that I wish to put to you. First as to the doctor's understanding of the words "incapacity for work." I notice that you speak of the general attitude of the profession in the matter of certificates?—Yes.

3462-3. So that you have in mind not only your experience of this particularly lenient doctor, but also of some other doctors in Bristol of whose work you know?—Yes.

3464. In their interpretation of the term "incapacity for work," you find them inclined to take a view which does not appear to you to be consistent with the meaning of the Act? They are inclined to take the view that "incapacity for work" means incapacity for following their ordinary employment?—Yes.

3465. And you would consider that that is not the proper interpretation to put upon it? At any rate it is not the interpretation your society would put upon it?—That is so. For instance, touching the point you mentioned just now as concerning another doctor. When the Act came into operation, and benefits began to be paid in January, these doctors previously employed used our surgery for the purposes of the Act. The stricter of the two doctors told me personally: "I had three of 'your people up at noon, and they each wanted to go 'on to the fund, but the ailments from which each 'suffered was nothing, only two or three days' illness. I 'told them it was nonsense. They must come again 'in three days, and they would be all right. I gave 'them the necessary prescriptions.' Had they gone to the other doctor there would have been no question of that sort. He discouraged them, but the other doctor would have given them the certificates without question, and we should have had them on for three weeks.

3466. That was perhaps a difference of the doctor's interpretation of whether a man was fit at all or not, but I am on rather a different point. Supposing that a doctor in signing a certificate "this person is incapable for work" has in mind one view, and the society in acting upon that certificate are acting upon another view of the term "incapable for work," then obviously there is a serious misunderstanding, is there not?—Yes.

3467. And you would think it very desirable, if possible, that some steps should be taken to get the doctors to understand how their certificates are likely to be interpreted?—Yes, I think so.

3468. If the society, perhaps rightly, are putting another construction on the words "incapable for work," it is very desirable that the doctor in signing the certificate should have in his mind the same meaning as the society have, when acting upon his certificate?—That is so, as regards household work as well as ordinary work.

3469. Yes, incapacity for work generally. They should both use the term in the same sense?—Yes.

3470. And some steps should be taken if possible to bring that about?—I think so.

3471. With regard to these cases of people with varicose ulcers, which Dr. Fulton put to you, some of your members suffer from varicose ulcers and your nurse treats them?—Yes.

3472. If you were advised by a medical adviser in whom you had confidence, that one of the best forms of

treatment for cases of that kind was a prolonged period of rest until the ulcer was healed, would you think it desirable in the interests of your society that they should have that prolonged period of rest?—Yes.

3473. Although the woman was able physically to stand at her work, yet if you were advised that by her resting she would get that ulcer healed, so as to make a perfectly sound leg for a number of years, you would think it advisable?—Yes, and we have done so in one case.

3474. That would be your interpretation of what was proper, both as regards the interests of your society and the general objects of the Act?—Yes, that is so.

3475. A number of your women have not previously been able to get that kind of rest, because they have not been able to afford it?—That is so.

3476. And now under the Act they can afford it?—Yes.

3477. Do you think therefore that a number of cases of that particular type, properly getting a rest during the earlier period of the Act coming into operation, and being restored to health, will really be a protection to your fund in future?—Yes, that is so.

3478. It is possible that some of this extra rest, which some of your people are getting, may mean that you will have smaller claims in future?—We recognise that.

3479. So that, to that extent the claims at present are exaggerated, as compared with your prospective future claims?—Yes.

3480. They are what may be called arrears of sickness?—Yes.

3481. Would you take that view?—I should.

3482. With regard to these cases of pregnancy, I understand that your society take the view that the only condition associated with pregnancy, or as the result of pregnancy in consideration of which you should pay sickness benefit, is varicose veins?—Yes.

3483. That is the only complication of pregnancy that you recognise, and pay for?—Yes, and miscarriage.

3484. Is that actual miscarriage or threatened?—Actual.

3485. Leaving out for the moment the question of miscarriage, what is your reason for singling out varicose veins as the one complication of pregnancy for which you pay?—We realised that it was impossible for a woman to stand at her employment without serious results.

3486. That is the only condition?—That is really the only condition.

3487. Did you take medical advice, or what led you to single out that particular condition?—It was through the advice of the nurse on the matter.

3488. (*Chairman*). This was not a society, was it, which was specially approved under section 25 of the Act? It was not an employers' fund?—It was not an employers' fund.

3489. It is an ordinary society of workpeople?—Yes, formed for the purpose.

3490. Electing their own representatives in the ordinary way?—That is so.

3491. You appear here, and give evidence recognising yourself as the guardian of these people's funds?—Yes.

3492. I think that you have unfortunately found, circumstances being what they are, that you cannot continue to guard their funds any longer?—That is so.

3493. You regard this sickness rate as so great that you are dissolving?—Yes, we are transferring to another larger society.

3494. You say that the nurse sometimes orders appliances on her own responsibility?—Yes.

3495. Who pays for those appliances?—The society.

3496. Out of the funds?—Out of the sickness benefit fund. It was regarded as a distinct relief of that fund.

3497. Does the committee exercise its discretion over each bill when it comes forward, or does it leave it to the nurse?—The bill is brought before the committee and passed.

3498. After the appliance has been obtained?—It is brought before the committee first. The nurse

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recommends an appliance for a certain member. The circumstances are gone into slightly, and it is agreed to, and the bill is afterwards passed.

3499. Those appliances are outside the range of the things prescribed by the Commission in accordance with the Act. You remember what they are?—I have not those things in mind, but the appliances that we have got are comparatively simple.

3500. I mean all those that are in the schedule—bandages, gauze, ice bags, splints and things of that sort?—They are trusses and so on.

3501. With regard to these arrears of sickness, you have described to Miss Macarthur how these women have been in the habit of working up to the actual day of child-birth?—That is so.

3502. And you say that the rule that you will not make any payment before child-birth still obtains?—It still obtains.

3503. I am not suggesting that the whole of this excessive sickness is due to that, but do you not think that that would increase it? Do you not think that there may be some unfortunate result from the fact that these women have worked right up to the last? Is not that one thing which may have helped to account for it?—I do not think it will have affected our figures up to the present time, because our sickness apart from these maternity cases is very heavy indeed.

3504. Some of this sickness has occurred among women who have given birth to children, even perhaps since the benefits of the Act became payable, and they may subsequently have come upon the fund for some condition, which may have some connection with pregnancy?—I do not think that has occurred, but I can conceive it might.

3505. Would not that have a tendency to send up your sickness experience in future?—It is just possible from that point of view.

3506. You say that your Bristol Cotton Works is just a standard weaving and spinning place?—A standard place.

3507. Are the wages the same?—No, they are rather lower, but we do not get the same class of operatives.

3508. What do you spin in fact?—Twenty-four's and thirty's.

3509. With what part of Lancashire does that compare?—It is for the shirtings and sheetings that are used in India and China.

3510. Where is it in Lancashire that we should find a mill spinning the same counts as yours. Is it a high class or low class of spinning?—It is what is known as medium.

3511. (*Dr. Smith Whitaker.*) Oldham is one of the places?—Oldham is not interested in the weaving; it is in the spinning.

3513. (*Chairman.*) You say that it is an ordinary average?—It is an ordinary average business spinning, 24 to 30 counts. I mean that is a fair average in spinning.

3513. You say that the wages are a little lower?—Yes.

3514. The hours are the same?—Practically the same.

3515. They are the Factory Act hours, are they not?—Yes. You see in Lancashire they have half an hour for dinner, start half an hour later and work till six.

3516. Is there any difference in your company's conditions and Lancashire conditions to which you would like to call attention?—I do not know any condition different from what it is in Lancashire.

3517. Do you have any special difficulties which they do not have in Lancashire. You are a rare occurrence in the south-west of England?—Yes, we are quite isolated.

3518. What is the history of the works?—Originally in 1840, and so on, there was a very large South American trade and it was thought at that time that a great saving would be effected in the way of carriage in shipping the cotton direct to Bristol from America, and then shipping the finished goods right away.

3519. And you have kept on ever since?—Ever since.

3520. You must have renewed your material from time to time?—Oh, yes, the machinery.

3521. Have you any competition to put up with, or are you trading with different markets?—We are simply doing a normal trade with India and China.

3522. You said that you had a different class of operatives?—Yes, we have.

3523. What do you mean?—The people in the west of England do not work as hard as they do in Lancashire. They take things easier.

3524. (*Mr. Davies.*) They will not do as much in the same time?—No, we have been discussing this thing in the last few weeks, and we have said again and again that it would pay us to have our works in the middle of the labour market. If we could sell the premises, it would pay us to take the business to Lancashire, and pay the higher wages.

3525. (*Chairman.*) There is not so high a standard of education?—No, there is not so high a standard of education.

3526. Or of shrewdness?—Or of morals.

3527. Or of hard work?—Or hard work.

3528. (*Mr. Davies.*) They do not produce as much?—It is a very striking thing, but the week before a holiday they earn $7\frac{1}{2}$ per cent. more than any other week.

3529. (*Chairman.*) And at the same time perhaps one might say that they are not of so good stamina, or of so good physique?—That is so. I think they ought to be healthier because the air in Bristol is distinctly better than you get in most manufacturing towns. It is in my own experience much healthier living. I come from the West Riding of Yorkshire, and I find that Bristol is much healthier.

3530. It is not so cold and damp, but I should not have thought there was so much difference?—If you look at the buildings in Lancashire, they are black.

3531. Yes, but I was brought up to think that black was rather an advantage than otherwise. Is it not so?—I do not think so.

3532. Your experience, so far as your society is concerned, has been confined to the case of two doctors whose different methods you have put side by side and compared?—Yes.

3533. You found that your people, for one reason or another, were inclined to go to the person particularly lenient?—Yes.

3534. Do they stick to him right through, even when they are seriously ill?—Of course, they have been obliged to do so.

3535. Are they as willing to trust him, when it is a question of life and death, as when it is merely a question of going on to the fund?—As far as I have learned, no. They have paid for another doctor to get proper attention. I have a clerk under me who was ill a few weeks ago and I asked him: "Why don't you go to your doctor." He said: "It is no use going there." He was going to another man, and paying specially. He is on this gentleman's list, and I asked him: "Why is it?" He replied: "You cannot get attention; there are forty or fifty people there in the evening. You cannot get proper attention."

3536. It is suggested that he had so many certificates to give that he could not look all over your man?—I fear he has been to him before, and has not received adequate treatment.

The witness withdrew.

FIFTH DAY.

Wednesday, 29th October 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT:

SIR CLAUD SCHUSTER (*Chairman*).

Mr. WALTER DAVIES.
 Dr. ADAM FULTON
 Miss MARY MACARTHUR.
 Mr. WILLIAM MOSSES.
 Dr. JAMES PEARSE.
 Dr. LAURISTON SHAW.

Mr. A. C. THOMPSON.
 Mr. A. H. WARREN.
 Mr. A. W. WATSON.
 Miss MONA WILSON.
 Mr. WALTER P. WRIGHT.
 Mr. ALEXANDER GRAY (*Secretary*).

Mr. J. DUNCAN (*Secretary of the Rational Association Friendly Society*) examined.

3537. (*Chairman*.) You are the Secretary of the Rational Association Friendly Society?—Yes.

3538. That is an approved society under the National Insurance Act?—Yes.

3539. As well as a society registered under the Friendly Societies Acts?—Yes.

3540. Which has been carrying on a friendly society business for a number of years?—Yes, since 1837.

3541. How long have you been general secretary of the society?—For nearly 13 years.

3542. You have recently been also secretary of the Friendly Societies' Conference?—Yes, but I am not secretary of it now.

3543. How many members have you now on the private side of the friendly society?—About 106,000 adults paying for sickness benefit, and 7,000 juveniles paying for sickness benefit to us, apart from what we call the burial fund and insurance fund.

3544. How many members are there on the State side?—At the beginning of the half year there were 108,087 in all countries.

3545. Do you know what number of those are persons who are also insured on your private side?—We have about 76,000 voluntary members who are also paying for State benefits.

3546. You admit, I think, both men and women?—Yes.

3547. How many men and how many women have you got among the 108,000?—I have got them set out according to countries. Putting them together, there are 91,053 men and 17,034 women.

3548. Is your membership scattered fairly equally over the four countries?—Yes, we cover 33 counties in England, 9 in Wales, 1 in Scotland, and 3 in Ireland.

3549. Among those 33 in England is there any particular place where you are strongest?—I think we are strongest in the southern counties—the agricultural counties, Devon and Somerset, Suffolk and Norfolk.

3550. Do you say, speaking generally, that your members are a fair average sample of the insured classes, or is there any peculiarity about their position and occupation to which you would like to draw attention?—I do not think there is. I will give you some idea of that later on with regard to occupation, but from my observation our members are drawn from all classes of the community, and appear to be engaged in all kinds of occupations. It is a fair sample, I should think, of the country.

3551. Perhaps they are drawn more than the members of some societies from the classes which have been accustomed to the idea of insurance?—Probably.

3552-3. In giving evidence here to-day, you are offering not only your own experience, as I understand, but also the result of some inquiries which you have made among your branches?—I am giving you the experience of our branches, and any personal observations that I may have to make

3554-5. Looking at the first point, do you, or do you not, think that unjustifiable claims are being put forward under the Insurance Act?—So far as our society is concerned, I do not think there are. Perhaps I ought to explain that, having the organisation at hand, and working on similar lines in the voluntary section, we have not had those difficulties as much as some people. We have had, of course, claims that were not justifiable, but, as a rule, our branch secretaries and visitors look after that very carefully.

3556. Perhaps, before we go into that in more detail, you would describe what your organisation is. Is your society divided into branches?—Branches, but not branches within the meaning of the Act. The organisation is exactly similar to the affiliated orders.

3557. They are not branches registered under the Friendly Societies Act?—They are not registered branches, but the working arrangements are very similar to those of the affiliated orders. We have a chairman and secretary, and meeting place, and everything like the orders, with the exception of holding the money in the hands of the branches. The money is centralised in our office.

3558. The officers whom you have mentioned are all persons elected by the branches themselves?—Yes, members nominated by the branches and approved of by the board of management.

3559. That is the central body?—Yes, except the visitors. They are simply elected by the branch.

3560. Does each branch elect a visitor?—Yes. They are appointed in accordance with the rules. There is a list of members, and they take it in rotation—those who can possibly serve.

3561. Rule 16 provides that at the termination of each quarter every branch shall appoint under the standing order sick visitors at the rate, roughly, of one for each 50?—That is so.

3562. Those sick visitors are paid 3s. a quarter?—For the work done.

3563. Do you know what exactly causes that curious sum to be fixed upon?—I cannot say except that they had to fix on something. The work is not very great, except in times of heavy sickness.

3564. What is the duty of the sick visitor?—He visits once or twice a week as the case may be.

3565. Whom does he visit?—The sick member; and he signs the sickness schedule giving the date of his visit.

3566. Is that duty actually carried out?—Yes; I have not got any schedules with the payments upon them, but we see that the persons are actually visited.

3567. If they do not visit, they themselves are subject to a fine?—Yes, they are expected to give a report each month to the branch meeting.

3568. Do they also pay the benefit?—Not always.

3569. What does that depend upon?—It depends very largely upon the branch secretary and the chairman. They manage it between them. Take a country

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district especially. It may be very scattered, and the payment, 3s., is not sufficient for one man to do the 50 cases, and the secretary, the chairman, and the sick visitor will divide the work between them. They arrange that.

3570. But you fine members?—Yes, occasionally.

3571. Are these sickness schedules that they fill up sent in to you to the head office?—They are vouchers for money paid. The secretary renders a branch account every month to the registered office.

3572. When a member makes a claim for sickness benefit, what does he actually do?—He has, under the State, to apply to the doctor, and he has to get a certificate.

3573. What does he do next?—He hands it to the branch secretary, or he sends it, if he is unable to go himself.

3574. What does the branch secretary do?—He fills up the sickness schedule.

3575. Does he send it up to you?—No, it is held for a month. It is sent to the house of the sick person, so that the visitors can sign, and also the member signs for his money when taken to him, and at the end of the month it is collected from the member, and the secretary makes up his account for those sickness schedules, and renders an account to the chief office.

3576. When the declaring-on note reaches the branch office, does the branch secretary then come to some decision on it, or what happens with regard to it?—As to whether it is in order or not?

3577. Yes. Suppose he does not think it in order, what does he do?—He would see the doctor, or, if he thought that it was a case in which he required instructions, he would write to the head office. We have many inquiries from branch secretaries. They send the doctor's certificate to us; but there are not very many of those cases.

3578. Does he ever, on his own responsibility, come to a decision not to pay?—I have not heard of any case of that kind.

3579. On the other hand, if the case is doubtful, he refers it to somebody else to decide?—Yes, he would refer the case to the chief office.

3580. Not to his own committee, but to the chief office direct?—Yes; we have not had a very bad experience in that way.

3581. It is because you have not had a very bad experience that your method is so interesting?—I think it is because our branch secretaries were used to the old style, and managed the business pretty well.

3582. You do not find any difficulty in carrying this out?—That is the general impression. Of course, there are difficulties because of the newness of it, but generally speaking, there have not been very many difficulties.

3583. What do you think, speaking from your experience, is the sort of thing that would cause the secretary to think that the certificate was not in order?—If he could not understand the nature of the disease, he would very likely write to us to ascertain.

3584. You must get a great deal of correspondence in that case?—Yes. We manage to keep eight typists going early and late.

3585. Do you mean to say that he thinks it his business to satisfy himself that he understands the words which the doctors use?—Sometimes, perhaps, he does not, but they get so used to the certificates, that if it was what they would think a suspicious case, and the disease was one for which we should not pay benefit, then he would submit the matter to the head office.

3586. Is the thing that makes him suspicious something on the document, or some knowledge which he has of the particular claimant?—It may be both. For instance, if a visitor goes in, and finds that a man is out after hours.

3587. I will come to that later. Starting from the moment when a certificate of claim comes into the branch, I was wondering how far he could apply his knowledge?—Of course he would have to satisfy himself too that the man was entitled to that day's sick pay, as to the time of the day that he goes on.

3588. He would know all that from his books?—He would not sometimes. There was no evidence on the first certificates issued by doctors as to the time of the day. That was very difficult for branch secretaries to manage, but they generally inquired from the doctor, and if they found a man had been at work, they did not pay him for that day, or did not count that as a waiting day. I do not think we have had very many suspicious cases, but if there were any little points that struck a branch secretary, he would make inquiries about it, or send a visitor to inquire.

3589. Suppose he found anæmia, neuralgia, headache, pain in the back, or something of that kind on the certificate, what would he do?—In those cases, from the replies which I have had, and from my knowledge of the working of the branches generally, I would say that he would put extra visitors on to see that the member was complying with the rules, and also he would inquire from the doctor.

3590. Would he himself inquire directly from the doctor?—In a great many cases he has done so.

3591. Would he do that by letter, or call to see him?—He generally goes to see him.

3592. Have you found in those cases that the doctor met him in a friendly spirit?—That is the general opinion. They have been courteously received, and the information has been given when required, but every case has not been inquired into.

3593. Of course not, but what you have stated is your general impression?—Yes. From the answers which I have had to the questions submitted to branch secretaries.

3594. Have you found a reluctance on the part of doctors sometimes to state the cause of illness, which reluctance was due to a desire to safeguard the interests of the patient? I do not mean improperly, but there are certain things which a doctor may hesitate to write out on a certificate?—When medical benefit came into operation, a great many doctors objected to putting in the name of the disease, and we did not pay benefits until the name was inserted. That is passing away now.

3595. Apart from that, one can imagine some cases in which it is perhaps highly desirable that a patient should not know what he is supposed to be suffering from. Have you found such cases?—Not many, and in fact we have found a few such cases in the voluntary section before the Insurance Act came in. One doctor in Suffolk would never put in the name of the disease.

3596. In those cases what action is taken?—The branch secretary satisfies himself by interviewing the doctor.

3597. No difficulty is found in satisfying himself and getting information?—No.

3598. Passing on to the next question, when a member has actually been admitted on the funds, the sick visitor visits him once or twice a week?—Yes.

3599. Does he visit him from the point of view of finding out whether he is breaking the rules, or from the point of view of helping him to get well? How is he regarded?—I should think that his first point is to see that the member complies with the rules.

3600. What is your rule about behaviour during sickness?—The man must be indoors at certain hours. Rule 24 says that no member must be out of his house or lodgings, unless by the consent of the medical officer, before 6 o'clock in the morning, or after 8 o'clock in the evening, from the 25th March to the 29th September, and before 8 o'clock in the morning and after 6 o'clock in the evening from the 29th September to the 25th March, or more than three miles from his home without special permission from the medical officer and the branch secretary, and that special permission must be given for each special occasion. He is fined a shilling for the first offence, and for the second offence sickness benefit is suspended.

3601. You were not secretary of the society when that rule was made, but you have long experience of its working?—Yes.

3602. Do you suppose that that rule was made with the intention of making it somewhat irksome to receive sickness benefit, so that people have got to make up their minds that they are really sick?—I think that it

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appeared to the society that if a man was ill he ought not to be out early and late.

3603. Is there not something more in it than that?—He would have to keep within the house, otherwise he would be considered not to be ill.

3604. In actual working, suppose that the sick visitor finds that that rule, or one of the other sub-headings of Rule 24, is being broken, what course does he take?—He reports it to the branch secretary.

3605. What does he do?—He fines the member a shilling if it is correct.

3606. Can he do so?—The rule is definite there; it works automatically.

3607. The branch secretary just imposes a fine?—Yes.

3608. Does the branch secretary write and tell him that he is going to fine him a shilling?—Yes, the members know all about it.

3609. Does he appeal?—Very seldom.

3610. To whom is the appeal?—To the branch, by summoned meeting, and if the meeting finds that the man has broken the rule, it confirms the fine.

3611. Is there a further appeal?—Yes, he can appeal to the board, or even to arbitration, if there is a real dispute.

3612. And finally from arbitration to the Commission?—You are speaking about the State side; I suppose he can.

3613. Have you had appeals from the branches to the central body on that point?—We have from the members, and it has been confirmed by a summoned branch meeting, and we confirmed the decision of the branch meeting.

3614. How many cases of that sort have you had?—Not more than three or four of them to my knowledge. A good many fines have been imposed that we have no knowledge of.

3615. Since when?—Since benefits have been paid under the Act.

3616. Is there also power to suspend?—Yes.

3617. Has that power been exercised?—In only one case up to the present.

3618. Was there an appeal in that case?—Yes, by the member, and it was confirmed by a summoned branch meeting, and the office also confirmed it.

3619. What was the offence of which that member was guilty?—He was found out of his house working, hawking vegetables, or something of that kind, when he was receiving sickness benefit. He was fined for the first case, and for the second case he was suspended.

3620. How long does that suspension last?—We suspended him for three months, and during that time he will not be entitled to sickness benefit.

3621. When you were admitting your members, did you cause them to go through any form of medical examination?—No.

3622. You caused them to fill up a proposal form?—Yes.

3623. The proposal form which they filled up is that appearing at the end of the rules of your society?—Yes.

3624. Was that verified in any way by anybody else?—Yes, they were recommended by another person.

3625. Is "another person" necessarily a member?—I might say that in nearly all cases it was a member. Very often it was the branch officials themselves.

3626. Were these forms scrutinised when they came in?—At the beginning I am afraid they were not. There was no time.

3627. Who admitted these people?—The branches had the forms filled up, and then sent them to the chief office.

3628. Did the chief office reject or admit?—Yes.

3629. The responsibility rests with the chief office?—Yes.

3630. In view of that responsibility, did the office accept these statements in that form?—That is so, and accompanied by the recommendation of the other person.

3631. What form did that recommendation take?—The signature underneath "recommended by."

3632. Was that recommendation a real recommendation from personal knowledge?—I should think so, generally speaking.

3633. Did you give any instructions about that?—We warned the secretaries to be careful as to whom they admitted.

3634. The forms having come in, and these people having been admitted in that way, have you found it necessary in any cases to expel them by reason of wilful or material mis-statements?—We have had a few inquiries made, but it has not come to that except in one case as far as I can remember. There are one or two shady cases of people who probably should not have been admitted.

3635. What does the shadiness consist in?—A good many, especially young girls, have been consumptive, and it was a question as to whether they declared the full truth as to their previous health.

3636. But in only one case have you pushed that to extremes?—That is so.

3637. Do you remember what the circumstances of that case were?—It was a man, not a woman. I cannot recall all the circumstances.

3638. Did you expel him?—We would not accept him. We returned the cards. It was not too late.

3639. But I want to know whether you found it necessary to expel any people, after they had been admitted as members?—We have not done that yet, but we may have cases to consider.

3640. But the cases have been few?—Yes, but having accepted them, it was clearly our own fault, and we did not think it was right to go too minutely into those cases and expel them, unless it was a very glaring case. We felt a certain amount of responsibility upon ourselves in not having made full inquiry at the moment, though it was impossible to do so as there was too much of a rush; but we have not many bad cases.

3641. You think on the whole that there are no unjustifiable claims?—We have got the written statements of our branch secretaries on this point, and they think that in some cases claims are unjustifiable because the claims appear to be far more than they ought to be.

3641a. Are you referring to claims by people who do not work, when they are fit to work?—Yes. A great many people seem to think that a man cannot work with neuralgia, or a carbuncle, or even with debility.

3642. When the Act talks about incapacity for work, is it your view that it means the particular work in which the person is engaged, or does it mean any sort of work?—Our view is that if a man cannot work in the occupation at which he is engaged, it is incapacity for work.

3643. What about the case of a woman who is not able to work at the work in which she is engaged, but is able to work at housework?—We used to have a good many women in the society, but we declined to accept many after an experience of them, so that the experience of them is coming quite new to us again.

3644. When did you adopt the practice of refusing to accept women?—A long time ago. I cannot tell you the exact date.

3645. Before you were connected with the society?—Yes. Now they are admitted again upon a new table drawn up by actuaries. That table was quite high enough to meet their benefits.

3646. When was that table put in force?—About 12 years ago. This is a safe table, but in the old days the society's experience was not very bright in regard to women.

3647. During the last 12 years what has been your practice in regard to women?—Where, for example, they were found capable of doing housework, or perhaps were found doing housework, when they were certified to be unfit?—We had very few married women.

3648. Did you make it a practice not to admit married women?—We did not encourage them, and though we had the table, we did not encourage single or married women.

3649. But you did get single women?—Yes.

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3650. Having got them you could not prevent them getting married?—Yes, but as a rule they dropped out of insurance.

3651. So your experience in the past of women is not sufficient to enable you to give an opinion?—That is so, except that our first experience was not very rosy.

3652. In your present practice, when you find a certificate which says that a woman is incapacitated from work by reason of pregnancy, what would your branch secretary do?—Very likely pay.

3653. For that alone?—Yes.

3654. Have you given any instructions with regard to that?—No, I do not know whether we are entitled to, because, judging by the Handbook to the Administration of Sickness and Maternity Benefits which was issued, we are expected to pay.

3654a. That is your view as to what the handbook says?—It is the view which we have taken.

3655. Suppose a woman after three months' pregnancy went on the fund, would you pay for six months? We have had no case of that kind.

3656. What cases have you had?—Probably a few weeks before the confinement, and, of course, afterwards, too.

3657. If you found a branch secretary paying for a longer period than for two or three months before the confinement, would you take some sort of action?—As a rule, if an application has been made for the benefit six months prior to the confinement, if it is known, the secretary has made inquiries, and we have told him then that we did not think the person was entitled.

3658. Your practice on the private side of your society as contained in rule 21, section 4, is not to pay for anything during pregnancy at all, except where the sickness is certified by the medical officer of the branch to have no connection with, and not to be immediately caused by, the condition of pregnancy?—Yes, and that is what we expected to be in the Act.

3659. That is not your view of what is in the Act?—It is not.

3660. In respect of sickness after child-birth, I take it that you pay for the first month where it is certified?—Yes.

3661. Do you act only on the certificate of a doctor with regard to the first four weeks after confinement?—If it is a case of confinement, the notification of the birth signed by the doctor is sufficient to pay for the first four weeks. After that time we would require a fresh certificate if the woman was suffering from another disease.

3662. You do not take the view that you are entitled to require certificates week after week during that month?—No, because we think that the woman is entitled to the benefit.

3663. Whether she stays at home or not?—I think that is looked after by our visitors. They have instructions to see to this. The woman is not entitled to work; she is entitled to 7s. 6d. a week so long as she does not return to work.

3664. Suppose she does return to work you do not pay?—That would be the view taken by our society. I do not know of any case that has come under my notice. That has been an instruction, and I should think that where the woman has been told the effect of this, she would stay at home.

3665. May I take it then that you do not require a further certificate during the month, once you are satisfied of the fact of the birth?—Yes.

3666. Sometimes you are satisfied of that by the doctor's certificate, and sometimes by the midwife's certificate according to the circumstances?—Yes.

3667. In the case of misconduct—I do not mean breach of rules, but misconduct causing sickness—what is the course of action?—We should withhold benefit.

3668. What would the branch secretary do?—He would make an inquiry from the chief office if he did not quite understand, or he would see the doctor.

3669. Then he would come to some conclusion of his own?—As a rule they are pretty cute in these matters. They might judge by appearances sometimes, and if it was a case of getting drunk and falling down, and all sorts of things like that, they would have a pretty good idea.

3670. Does he report to his committee, or act on his own responsibility?—The branch secretary would bring it before his committee.

3671. They would come to a decision?—Yes, or write to the chief office.

3672. There would be an appeal from them again to the chief office?—Not as a rule.

3673. There would be a right of appeal?—Yes, but, as a rule, the men are quite satisfied when they are found out.

3674. Can you say what number of claims have been disallowed by reason of sickness being due to misconduct?—Not very many; I have no idea of the number. I have not come across any flagrant cases, but just a few have been due to debauchery, and they have not been paid benefit.

3675. In reference to workmen's compensation, what steps have you taken? When a certificate comes forward, does the branch secretary ask himself the question, "Perhaps this has arisen from something" which might give rise to a claim under the Workmen's "Compensation Act"?—The doctor, having to give a certificate, will state whether it is an accident or an industrial disease. The branch secretary does not pay then.

3676. The doctor does not state whether it is an accident which gives rise to a claim under the Workmen's Compensation Act?—The secretary has to inquire how it has come about. Very often he writes to the chief office to know his position, and we often cause inquiry to be made; in fact, we make the inquiry direct from the man's employer.

3677. Have you in fact found any cases in which attempts have been made to declare on the funds, which ought to have been relieved by the Workmen's Compensation Act?—A good many cases.

3678. Have you been successful in causing them to fall on the right shoulders?—Yes. In some cases we have been under the impression that the employers have been trying to shift the burden upon the approved societies.

3679. You successfully defeated that attempt, you think?—Yes, we have always got evidence as to where the accident happened, and we pointed out the man's position under the Workmen's Compensation Act, if he did not already know it, and we told him he must claim it, and we have not paid benefit. We have not encouraged them to come upon State funds. We have said, "You must make your claim from the employer; he is responsible, and until he proves he is not, we will not pay you any benefit."

3680. You have not taken advantage of the provision of the section which enables you to pay while the claim is being pressed?—No. We do not care to take advantage of that; it is rather dangerous.

3681. Your members generally do, I think, understand what we call the principle of insurance, that is, that they pay against a risk which may, or may not, happen to eventuate against themselves?—I think the generality do, but there are a certain number of people who were not insured in friendly societies previously, who seem to be under the impression that they have paid, and that they are going to get something in return; and they are not looking forward to a time when, if they remain members, they may have to meet a deficiency.

3682. They do not understand that?—They do not.

3683. They do not understand, on the other hand, that there may be a surplus?—They may think of that, but a good many people do not think at all, except as regards getting their benefits, and they know how to manage that as a rule.

3684. I thought you were suggesting, by what you said earlier, that your general scheme of organisation enables you to check that sort of thing, when it did come on?—Yes, but I would like to say this, and I say it with no dislike to the doctors: they are the spending power of the approved societies, and we have to rely very largely upon the certificate, in spite of any precautions which we ourselves may take. I am not saying that they have been careless, but I will say this, that at the beginning of the Act the doctors were so pressed with work, that I feel sure they could not give

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sufficient attention to cases that came before them, and the probability is that a great many claims were made that in the old days would not have come upon the funds.

3685. Do you find that that state of affairs still exists, or not?—Probably not as much as formerly, but from observations and inquiries made in all directions, not only from our own society but from others, the opinion is that insured persons are enabled to obtain benefit much more easily than they did under the voluntary system.

3686. Do you think that that is the experience of your society, because the general drift of what you have been saying up to now has led me to take a hopeful view of your society?—It is hopeful only to an extent.

3687. I only want to understand exactly where you are?—And I do not want to appear to contradict myself, but we feel this, that in the old days, under the friendly society system, very often a man would be given a bottle of physic, and sent back to his work; whereas now the man, and the doctor I suppose, are very careful, and they think that he should get perfectly well. I have nothing to say against that. I think he should, if it is a genuine case.

3688. You realise that, in a great many cases, that may result, in the long run, in a saving of the fund?—Yes, I do, and probably there may be a turn in a year or two's time.

3689. But you attribute it in part to what you call the over-haste of the doctors—due to overwork?—I think that, partly, it may have occurred in that way.

3690. Turning to another possible cause, have you found any evidence that your members are over-insured?—Yes, I made inquiries into that, and, giving the sickness experience of the voluntary section as a test, the amount that we have paid away for the half year of 1913, compared with the half year of 1912, is 5,000*l.* more on the voluntary side; and after making inquiries into the question, it appears that the greater part of it has been brought about by people who have insured for double benefits. It may not have occurred in that way; it may have been genuine sickness, because the sickness rate in nearly all insurance societies in the voluntary portion has been going up year after year.

3691. What percentage of the whole sum is 5,000*l.*, taking it roughly? If you paid 5,000*l.* one year and 10,000*l.* the next that would be an enormous increase, but if you paid 2,000,000*l.* one year and had an increase of 5,000*l.* in the next year, it would be nothing?—We consider that it is excessive.

3692. In one six months, you paid 5,000*l.* more than in the six months of the previous year; what percentage of all the money paid is the 5,000*l.* increase, because that is surely the material point?—Taking 1912, we paid 90,000*l.* for sick benefits alone.

3693. You had 90,000*l.* in a year and perhaps about 45,000*l.* in six months?—Probably that.

3694. So an excess of 5,000*l.* would represent a total sum of 50,000*l.*?—It might not be; it is not calculated for the whole year. There may be a heavier sickness experience in the first half of the year, and in the latter half it may ease off. It may be taken in that proportion, but it would not give an idea of the definite result of the year's working.

3695. You put forward this fact, for the purpose of drawing attention to the fact that the extra money was largely paid in the case of people who were doubly insured?—That is the general impression.

3696. Have you found it specially so with regard to women?—We have not very much experience of women with regard to that. Some of the women who are State insured members may be also in some voluntary society; we do not know.

3697. There is no reason to suppose that they are?—I cannot tell.

3698. From what one knows of the number of women insured for sickness benefit, it is not very probable?—It is very probable that State insurance is the only sick pay which many of them obtain.

3699. Can you give us any idea of the average rate of wages per week earned by your members, or are their occupations too general to enable you to do so?

—Yes; they are engaged in all occupations from those of the agricultural labourer and the general labourer to those of the highly paid artisans in the building, engineering and other trades.

3700. In the same way you could not make any general statement about the amount of unemployment?—No, I have no knowledge of that whatever.

3701. Have you told us all that you have to say about unwillingness to return to work, and deliberate and conscious fraud?—I would like to say that the general opinion of our branch secretaries, who are engaged in the details of this work, is that the married women are the greatest sinners among the women, for they go on the fund and remain on. In those cases our branch secretaries have appointed special women visitors. Sometimes their own wives have gone out in the day time.

3702. To what do you attribute that? Would you just make that statement, and leave it there, or would you give any reason why the married women are the greatest sinners?—It is because they can be at home doing their housework, and one or two cases have been found where the woman has been drawing sickness benefit, and strongly suspected of doing her housework, and she has been tidily dressed, and has perhaps been doing a little bit of knitting in the evening when the visitor has called.

3703. When you do find her knitting, do you regard that as a breach of the rules?—No, we do not consider that that is work.

3704. Suppose you found her doing the family washing?—That is a different thing. Then we should consider that she was working, and, if she could do that, she could go to her own work.

3705. Suppose you found her washing the floor?—I suppose that that is pretty hard, too.

3706. Or cooking the dinner?—I cannot say what action is taken generally, but if a woman is found doing hard work at home, she has to sign off the fund.

3707. What would you do if she were found dusting?—I cannot tell you.

3708. You take the view that if a woman is doing something, which really amounts to hard work of any kind, she is not entitled to sickness benefit under the Act?—Yes.

3709. Even if doing that sort of casual work which an invalid may do about a place?—She may not be able to carry on her ordinary work standing in a mill, but such a thing as dusting a mantelpiece would be nothing. We would not condemn a woman for that; it might help to get her well.

3710. Do you not think that it may be very difficult to put a rule like that into operation? It depends so much on the individual view taken by the sick visitor or by the branch secretary?—It must depend largely on that, and the conditions of the labour which the woman is performing.

3711. Have you found any evidence that the method by which the doctor's remuneration is calculated has any effect at all on the number of certificates granted?—You mean the difference between the system in Manchester and Salford, and other parts of the country?

3712. Yes?—I have not been able to ascertain anything about that. The insurance committee concerned would be able to give information.

3713. Very likely they are; I only want your experience?—I cannot tell you from the sickness experience of the first six months of 1913, whether it is above or lighter than the other years; but I can tell you this, that the societies had a great deal of difficulty at the beginning of the Act in getting medical attendance for the contributors to the voluntary section and for the insured members between 65 and 70 years of age. We tried to make arrangements with the doctors and had a great deal of difficulty, but eventually of course arrangements were made, by a pooling system. I did test a good many cases where the doctors were allowed so much per visit.

3714. You mean in the case of your uninsured members?—Yes, the same members that they had been attending previous to the Act coming into operation, the people who are not insured at all, people who can be either voluntary contributors or not. In a great

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many parts of the country, arrangements were made to pool the ordinary contributions that the members had been paying, and the doctors' bills would be paid on the number of visits. That was the only condition in certain places on which the doctors would take it on. In other places they took a capitation fee of 8s. 6d. I tested a good many areas where the payment per visit was inaugurated, and found this: that the same men who were upon the funds—men not necessarily 65, they were probably young men in some cases—prior to the Act coming in, were still upon the funds, and that under the payment per visit system, although the doctor had only seen fit to visit them once a week prior to the new arrangements being made, when the new arrangement was made, he found it necessary to visit them four times per week. That ran up our bills. I am not saying that every case is like that, but I took a few cases as a sample. I was rather anxious to test them; I am very sorry that that is so. I was not able to test it all over the country, but the tests which I did take turned out to be like that.

3715. Have you any experience of medical referees?—The only instance which we have had is at Bristol, where I have been informed by two or three of our branch secretaries, that they referred several cases to the medical referee, with the result that in some cases they were signed off the funds.

3716. You have not employed any medical referee yourselves?—No, but we have a provision under our rules to hold a special medical examination upon application by the branch.

3717. Have you done so?—No, not for State members: we have never had an application for that. Secretaries have written about it, and have been taking steps with regard to it, and then probably the person has gone off the funds.

3718. Supposing there were medical referees appointed as a general practice all over the country, would you prefer that each society should appoint their own, or that they should be appointed in some way or other by someone other than the society?—I think it would be better to appoint them by an insurance committee, and let them be responsible to that committee.

3719. Would you prefer them to be appointed by the insurance committee rather than by a group of approved societies, voluntarily combined for the purpose?—I had not thought of that. Of course, in that case they would be responsible to the approved societies.

3720. Yes?—To a conscientious doctor it would make no difference.

3721. But you would rather that they were responsible to somebody not the guardian of the funds?—I think perhaps if the approved societies combined, they might get better treatment, or they might not.

3722. Would you prefer that the medical referee should be responsible to somebody with no direct financial interest in his decision?—I would rather that he should be independent.

3723. Would you prefer him to be appointed by the insurance committee, rather than by the Commission?—Yes, because they would be so well in touch with him.

3724. You realise, of course, that if he were appointed by the committee, the expense would fall on the approved societies just as much in one way as in the other?—Yes, and I suppose it would be the same if he were appointed by the Commission.

3725. I do not want to set those two things against one another. When you make the suggestion that the committee should appoint him, are you influenced by any idea that the society is going to save money?—Not a bit.

3726. And you realise that the expense would come out of income drawn by the committee from the societies?—I understand that the medical referee has been paid a retaining fee. In Bristol it has been paid by the committee, and in London by the approved societies paying an examination fee.

3727. You realise that some time ago the Commission suggested to societies in general that, if they would like to join in the appointment of referees as a

purely temporary measure, the Commission would authorise the carrying of an additional sum to the administration account?—I do not see much in that. We did not take any step, because we have the provision in our rule to do it.

3728. The point was that the amount available for administration expenses might be increased?—It is a point that is worth the consideration of all the approved societies, because in the paying out of benefit they will be saving so much of the sickness benefit, if the cases were not found to be genuine.

3729. You proposed to give examples of sickness in various trades and occupations. Upon what are your figures based?—Upon actual experience in our own society. I have already given you the number of members, taking all the countries together. In England we have 79,164 men and 16,478 women. In Wales we have 11,759 men and 538 women. In Scotland and Ireland we have only 148 in the two countries, so that they are not worth troubling about. I think I have explained that the society covers pretty well all classes of the community, and 33 counties in England, so that we have a fair average experience of the sickness experience for England. I have only got complete figures for the first quarter. I have got a very big test for the half year, but I have absolute figures only for the first quarter. The males who were sick received on an average 2·9 weeks, and the average amount of cash paid was 1l. 7s. 2d. That is the average amount paid to each male member in England who was sick.

3730. (Mr. Warren.) That is on the State side only?—That is the State only. The average cost per member, spreading it over all, was as nearly as possible 2s. 7½d. The second quarter is slightly less than that. That is the sickness only. Coming to the women members in England, they received 3·33 weeks, and the average amount paid was 1l. 2s. 5d., and the average cost per member of the society was 2s. 1½d.

3731. (Chairman.) Averaging them only over the female members of the society?—Yes.

3732. Of the members in Wales, do you know how many in fact are engaged in coal mining?—I cannot tell you exactly, but probably 8,000 out of the 11,700 odd.

3733. How many members are engaged in coal mining in England?—I cannot tell you.

3734. Would you be so good as to get that figure?—If you would like me to produce it, I will do so.

3735. You say that 8,000 are engaged in coal mining in Wales?—Approximately.

3736. Are they mostly in South Wales?—Yes. There are some in North Wales.

3737. With regard to these 8,000, have you found in your Welsh membership any great variation from the figures which you have just been giving us for England? Have you found the Welsh figures widely different from those for England?—They are here.

3738. That is for one quarter?—For the two quarters.

3739. Would you like to state how much the variation is? What is the figure which corresponds with the 2s. 7½d. in the English case which you find in Wales?—The average cost per member among the males for the whole of the membership in Wales for sickness is 3s. 5½d. That is for one quarter. The second quarter comes out very nearly the same.

3740. Do you realise that that is one quarter's experience only?—It would be about the same on the average for the half year, making it about 6s. 10½d.

3741. Do you also realise that we do not know anything at all about the conditions of Wales?—Yes.

3742. So you just put the bare figure before us?—Yes. I think it ought to be before you.

3743. I only take that figure as illustrating your English figure?—Yes. Taking the whole of Wales it comes out much worse than England. These are simply my figures.

3744. Is there anything else you want to say?—I think I should like to give you a few tests I have taken in regard to occupation. It may not be of any interest to this Committee, and I have simply done it out of sheer interest in seeing how persons following certain occupations have drawn from the funds

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Taking the copper workers—we have a branch composed of 400 of them—I have tested their average for the half year and find it is 4s. 7d. per member.

3745. How many members?—Nearly 400. One would think that the copper workers' was rather a bad trade for sickness. I was at a loss to understand how it was that it came out the lightest of all my tests here. I can only assume one reason for it—that the copper workers are highly paid.

3746. I think you said 4s. 7d. ?—Yes, that is for the half year. All the figures I am now giving are for the half year. This is very low. I can only assume that it is because they are highly paid workers, and that trade is good. One does not like to be suspicious in any way, but they came out the lowest of any test I have made. It is supposed to be an unhealthy trade. I have a test of the engineering and building trades in cities, and the average there is 4s. 8d. for the half year. For dock labourers it is 4s. 8½d. For general labourers in all parts of the country it is 4s. 8½d. For agricultural labourers in Norfolk, Suffolk, Devon and Somerset it is 4s. 9½d. For bootmaking in Leicester, Devon, and Northampton it is 5s. 1d.

3747. I think you ought, if you can, to give in each case the number of persons with whom you are dealing?—Some of them are rather small.

3748. It is rather material?—It is not a very big average.

3749. I am not questioning the figures, but the value of the estimate depends on the number of people?—Not altogether, because if you take a few from one part of the country and a few from another part, you get a general average, as a rule.

3750. It makes the figures more valuable if you give the number?—Yes. I have only these as tests. They are fair samples of the rest. In the first place, there are nearly 400 copper workers; there are 675 in the engineering and building trades, and 114 dock labourers.

3751. Where from?—Barry.

3752. That is Wales?—Yes, but it does not matter. You cannot choose where dock labourers will work. Call it another name if you like. It does not matter whether they work in Barry or Newcastle.

3753. These are all mixed figures for all the four countries?—Mostly; all the others are resident in England, with the exception of the dock labourers. The general labourers are 4,238 from all parts of the country; agricultural labourers, 1,702; bootmaking, 415—that is taken from Leicester, parts of Devon and Northampton; and there are 217 hatters and cotton operatives whom I have not mentioned before.

3754. What is the figure in that case?—5s. 4d. There are fishermen and farm labourers. That is rather a funny mixture, but very often a farm labourer goes out fishing.

3755. These are persons who combine the operations, not fishermen and farm labourers mixed up together?—They are individuals who are both fishermen and farm labourers. We have several branches of them.

3756. Where are they?—In Norfolk and Suffolk, on the coast.

3757. What is the result there?—The number is 697, and the figure 5s. 6½d. I have worked it out on the up-grade. In the case of carmen and lorrymen in London the figure is 5s. 7d., with 256 members.

3757a. That is rather high. With regard to women?—I have set them out here under "Domestics and mixed occupations." Of domestics for this test we have 588 members, and the average is 4s. 7d. per member for the half year. I would like to give you the variation in the districts. In Torquay it comes out at 2s. 9d., Bristol, 3s. 6½d., and in London, 8s. 2d.

3758. How many people have you there?—In London, not a great many. The Bristol branches comprise 300, and there would not be above 50 in London. Domestic and laundry workers come out at 8s. They are not very many, and are mostly laundry workers. I have here gloveresses at Worcester, the hosiery trade at Leicester, and tobacco workers at Bristol. I have averaged the whole of these together,

and they average 4s. 10½d. per member, taking the mixed branches engaged in these occupations.

3759. How many of them are gloveresses?—I cannot tell you.

3760. With regard to these women, are you able to furnish us with any information as to whether they are married or single?—No.

3761. As to both men and women, you have no figure to give us as to age distribution?—I cannot give you that. It is an important factor.

3762. Do you not realise from your long experience that these small groups of people are rather a dangerous foundation upon which to build much?—Yes, we recognise that. At the same time, by taking a fair sample, you see pretty well what the occupational risk is. Taking the average of all occupations, I do not know how that would come out. We do not think our experience is excessive for the half year.

3763. Would you not like to know, before you drew any particular conclusions from the figures, especially having regard to the smallness of the groups, how the ages were distributed? The smaller the group is, is it not the more necessary to know whether the people are all old or young, or mixed ages all through?—Yes. I do not think there is much to be gleaned from these figures, unless you have a thorough valuation.

3764. You give them to us as being of general interest?—Yes, they are fairly reliable.

3765. In the same way you realise that it is material, before we draw any definite conclusion, that we should know how many are married, how many are single, and of the married women, how many are still of child-bearing age?—Yes, perhaps it might be of interest, but I do not know that it would further your objects very much.

3766. We have had it suggested to us that age distribution is an important point?—I know it is very necessary in order to arrive at a proper conclusion, but it is really too early for any society to go into that yet.

3767. (Mr. Thompson.) Does your rule 24, in regard to the conduct of members during sickness, apply to both your voluntary members and your State members?—There is a similar rule—rule 10, in part 2—in regard to conduct of State members.

3768. On the State side, do you ask your sickness visitors to go once a week or twice?—Once a week. We are satisfied if they go once a week.

3769. Are visitors liable to fines for not visiting on the State side?—Yes, they are under rule 16 in regard to that.

3770. Can you tell us approximately what amount of money the visitors contribute in fines?—No, I cannot tell you that at all.

3771. Can you tell us what amount the members contribute in fines?—We are only dealing with the State side, and we have not yet made up those accounts. It is rather too early to give a general statement in regard to fines.

3772. It is not a very appreciable sum in either case?—I do not think it would be. It is sufficient to be a deterrent.

3773. And stop bad cases?—Yes.

3774. If a medical certificate were produced for debility, would the branch secretary pay on that without reference to a doctor?—He might do so. They have had no definite instructions not to pay for debility. I know we have paid for debility.

3775. Do you find much divergence in practice between the various branch secretaries? Do you find that one is a confident branch secretary, and another, perhaps, is not so confident?—You mean a man who appeals more frequently to the office for instruction.

3776. Yes?—That is so.

3777. How many branch secretaries have you?—958 male secretaries. Then we have 20 or 30 female secretaries.

3778. Would you know at the head office of all cases where the payment of sickness benefit has been declined by the branch secretary?—I would like to have that a little clearer, because the secretary might decline for some reason known to himself, and we would not hear about it, but if it were a case in which

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enquiry had to be made, of course we should know about it.

3779. There might be a proportion of cases where sickness benefit is claimed and a medical certificate given, where the branch secretary is able to pay a visit and bring about the withdrawal of the application?—I have not heard of any case. If he has done so, he has kept it to himself. He might report to his branch only in that case, and not to the head office.

3780. You have not analysed the returns from the various branches to see whether, in some cases, the branch secretaries were more successful than others in saving money through refusing claims?—No, we have not. I do not quite know how that could be done. If claims are genuine, they are paid; if they are not, then inquiry is made. I do not think we can put one against the other. The branch supervision has a very great influence. If they are smart men, they would look after the business. It has a great influence on the sickness experience.

3781. Working as your branch secretaries do, without any precise instructions, have you found that there is any marked difference in the sickness rate in the various branches?—The sickness rate does vary very considerably, but it is not, perhaps, caused by the branch management.

3782. Not necessarily?—No. It depends, of course, on the class of workers, and whether there is an epidemic or not in that district.

3783. Your society does not take up workmen's compensation cases for the members?—No, it has not done it yet.

3784. (*Mr. Mosses.*) You admit that you have not had very much cause of complaint with regard to excessive sickness?—We do not think it is excessive. I really do not know what other people are experiencing.

3785. You said that compared with the experience of other people you had little cause of complaint?—I do not know what the result of other people's sickness record is.

3786. (*Chairman.*) You mean you have heard other people grumbling, but did not see any cause for grumbling in your case?—I did not intend to compare figures.

3787. But you have heard other people grumbling and do not see any cause for grumbling in your society?—I would not put it quite so baldly as that, and say that there is no cause for grumbling. I think that from our experience we were rather surprised that the sickness experience was not heavier in the first three months—we were not frightened about it—because our previous experience was that the first three months of the year is always the heaviest time. We were not very anxious about it at the moment.

3788. (*Mr. Mosses.*) Are you quite satisfied that your system of administration is as good as it can be?—I would not like to say that.

3789. Do you think it will compare favourably with those whose system you are acquainted with?—I think I said our system was very similar to that of the affiliated orders with their branches. I do not know the system of other societies.

3790. I only wish you to answer with regard to societies of which you have cognizance?—I said the branch management is very similar to that of the affiliated orders.

3791. Are you fairly well satisfied with the results?—We think we are working on the right lines.

3792. Have you any difficulty in getting sick visitors?—I should say there is a difficulty in some cases.

3793. I see according to the rule of your society that you fine members who will not fill these posts?—Yes.

3794. Have you often to inflict this fine?—Occasionally.

3795. You pay what you call "an upstanding wage" for this service?—It is hardly a wage.

3796. Do you pay a certain fixed sum, irrespective of the number of visits?—Yes.

3797. Do you attribute the difficulty of getting these offices filled to that circumstance?—No. I think it is a general want of time on the part of a lot of

working men. They very often work late in the evenings, and there are long distances to go to make the necessary visit.

3798. With regard to your women sick persons, how do you elect females as visitors?—From amongst the women members.

3799. Then both sexes of sick visitors must be members of your organisation?—Yes, except that the wife of the secretary has occasionally acted as a special sickness visitor.

3800. Do you pay the women the same as the men?—Yes, just the same. It is hardly in the nature of a wage; it is more of an acknowledgment.

3801. Have you found that there is any increase in sickness payments during periods of bad time?—You mean such as a strike?

3802. No, I was not thinking of strikes, because men generally get extra payments during strikes, which would not bring them on the sick pay; but I mean in times of acute trade depression?—We thought we noticed that some years ago, but we did not go into the figures very closely. We thought when the building trade was bad, we had a good number of builders on the register. I am not surprised at it; it is enough to make a man ill.

3803. Are your women members represented upon your committees?—In the women's branches undoubtedly.

3804. You have women's branches?—Yes, they are quite separate.

3805. Are they officered by women?—Generally, not always.

3806. Are the women represented upon your central committee, that is to say, your board of management?—No.

3807. Is that by accident or design?—I do not think there is anything in it. We have never thought of it. We had not sufficient women prior to the Act to make a point of it.

3808. You have had no representation from the women, or from the women's branches, for representation upon the board of management?—No.

3809. Would they be eligible to become members of that board, if they wished to join it?—I have not looked at that. I do not think it states in rule 3 whether they should be male or female.

3810. Is there nothing in the rule to prevent it?—I do not think there is.

3811. Have they shown any disposition up to the present to be represented on the central authority?—No, we have not heard anything about that.

3812. In the *précis* of your evidence you have raised an altogether novel point, so far as this inquiry has gone, that is in respect of prescriptions. Question 16 on the form issued to branch secretaries is: "Have any cases been discovered where members have neglected to obtain from the chemist the medicine prescribed by the doctor," and in a few cases you say they have. How can you tell?—I only give the statement from the secretaries' answers. These forms were sent out to the branch secretaries, and they say they have discovered three cases in which the men have not been to the chemist.

3813. Then that is not the fault of the chemist?—No, these are cases where the member had neglected to obtain the medicine. I cannot tell you the result of his not obtaining it, and whether he is better or worse.

3814. (*Mr. Warren.*) I gather from your statement this morning that you are satisfied that in the Rational Association you have reasonable sickness supervision?—Yes, we have tried to obtain that through our rules.

3815. Have the members of the Rational Association the opportunity of a full knowledge of one another?—Yes, they have meeting places.

3816. And periodic meetings?—Those who are State members only, and who do not belong to the voluntary section at all, take their stamped cards, and receive a new card at a quarterly meeting. If they do not take it, it has to be sent to the branch secretary afterwards, and there is a great deal of difficulty about that, but there is a meeting for them to attend.

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3817. From your experience of the friendly society movement in the country, you will appreciate the value of members knowing one another so far as possible?—Yes.

3818. There is opportunity given in your society for that coming about?—Yes, and those who are voluntarily insured, and State insured too, will, of course, attend monthly meetings.

3819. So that in the matter of general knowledge of each other, there is an opportunity for the members to gain that?—Yes, they meet with one another.

3820. Have you experienced any difficulty in respect of payment from the fourth day? In so far as the independent side of your work is concerned, do you think the payment of State benefit from the fourth day has brought about claims upon the independent side for the first three days?—I would not like to say that, because the person in any case would have to get a medical certificate, and whether they have declared on three days prior to what they ought to have done is rather a moot point.

3821. Do you accept a signed medical certificate for both State and independent insurance?—Yes; if a member is a member of both sections, then we have a system whereby a copy is taken by the branch secretary of the State certificate, and filed with the sickness schedule for the voluntary section, and it is certified by the secretary and the member. That is to save him the expense of getting a further certificate.

3822. You told us that comparing the period of 1913 with the corresponding period of 1912, your claims had increased by approximately 5,000*l*.?—Yes.

3823. Would that be to some extent due to increase in the membership?—I have looked that up, and it will be interesting to those like yourself who understand these things. I have prepared a statement in regard to that. For instance, we had 16,000 of our members who reduced their contributions. There are 60,000 who are paying for both State and fraternal benefit. There were others not insurable under the Act. Taking the 16,000 who reduced their contributions by 1*s*. a month, that made a serious drop in the income, but when you take the fact that the membership was 87,000 at the end of 1911 and 106,000 at the end of 1912, you get an increase of members, so that I assume the income dropped from one source was about made up by the income from the new members.

3824. Where there is a reduction in the contribution income in respect of those who have reduced their contributions, there is a corresponding reduction in the amount of benefit you have to pay on the voluntary side?—Yes. There was not while the Act was coming into operation. It is 1913 we are speaking about. There would be a corresponding reduction, but that would be overcome by those who have joined on what we call the new tables, and have just come into benefit.

3825. It is probable that, to some extent, this means that the claims had gone up in 1913 because a large number of your members were in receipt of a double benefit?—That is the opinion of some of our secretaries. It would be very difficult to say that for certain.

3826. Previous to the introduction of National Insurance, did your association give medical benefit as one of its benefits?—Yes.

3827. Then you were in intimate touch with the doctor, or the branch was in intimate touch with its medical adviser?—Yes.

3828. That of course has all been severed?—Yes, I am afraid it has.

3829. I take it you had a similar experience to that of most of the mutual thrift societies, in so far that that relationship was cordial and kindly, and worked to the interest of both the member, the society and the doctor?—Yes, we never had any difficulty whatever in any part of the country with the medical question.

3830. In other words you looked upon a competent painstaking doctor as affording a very considerable safeguard against unjustifiable claims?—That is right,

because when a doctor was attached to a branch, as a rule he fathered the branch, and knew the members and took an interest in them, but that feeling has largely disappeared.

3831. Has it come to the knowledge of your branch secretaries, or to the society's head office at Manchester, that doctors are granting certificates, particularly continuing certificates, without, on all occasions, seeing the patients?—I have a question on that point on the forms I sent out. In just a few cases the secretaries state that they did find that doctors had either ante-dated certificates, or given "declaring-off" or "declaring-on" certificates, without seeing the patients. Perhaps they had seen the wife or the child, especially when declaring off.

3832. Have you any knowledge of relatives or friends attending, say, at the doctor's surgery, and obtaining continuing certificates on behalf of insured persons?—I have heard that it is carried on in some parts of the country, and I suppose in all parts. In some cases, perhaps, it is all right, say where the doctor knows that a man is seriously ill, and he cannot go himself, and the certificate must be signed at a certain time. If the doctor visited the house, and the sickness schedule was there, he would sign it there. The continuing certificate would generally be signed at the patient's house, or the patient would take it to the doctor if he visited him. It is when continuing on and declaring off, that the certificates are liable to be signed without the doctor seeing the patient.

3833. You said you had experience in only a few cases of doctors ante-dating certificates. Does ante-dating or post-dating obtain to any degree?—No, there were very few cases given to me in regard to that. The branch secretaries did not come across them, if there were any.

3834. Speaking from your past experience, are you led to the opinion that difficulty now exists owing to the branch and the doctor being out of their former touch?—Yes, there is a great difficulty there. While the relationship is well maintained in some parts of the country, in a district where you get a new doctor it will make a vast difference to their relationship. One fact was that the branch secretaries used to pay the bills, and were bound to wait upon the doctor at that time, and there was always that connecting link. Then there was always the general knowledge the doctor had of the members.

3835. Under the circumstances then existing, the branch secretary had the freest intercourse with the doctor if such need arose?—Yes.

3836. Has he the same freedom of access now?—The reply I have had from some secretaries is this: "At present I have no right of approach to the doctor." I do not know why they say that. In some other cases they say that they interview the doctors. These have ignored the question of right, and gone to see the doctor.

3837. I notice that you quote in all 517 answers from branch secretaries in answer to the question, "Do you think that members receive adequate treatment from panel doctors, or is it better or worse than the old system?" In answer to that, 14 per cent., that is to say, 71 out of the 517, are of opinion that the treatment is not adequate?—I think that in some cases their answer is, not that it is not adequate, but that it is worse than the old system; that is the point. It is a double-barrelled question.

3838. It does not compare favourably with the old system?—No, there is not the same kind of relationship between the doctor and the branch. It may be prejudice, I cannot say.

3839. On the matter of the doctors, in question 20 of the form issued, you ask, "In your opinion, have doctors always signed members off the funds, when fit for work, or have they retained them on the funds longer than necessary?" There, again, out of 515 answers received from branch secretaries, 82, or roughly 16 per cent., express the opinion that they have retained them on the funds longer than was really necessary?—Yes, that is so; they were pretty emphatic about it, too, in their answers.

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3840. Do you find that women are claiming benefit because the State benefit of 7s. 6d. is roughly about equal to their general wage income?—That is an opinion, that is all. We cannot guarantee that. It is an opinion expressed by some of our branch secretaries. They think it is one cause.

3841. Has the Rational Association much experience in respect of women out-workers?—No, not very much. There are just a few in Somerset, and Worcester, in the glove manufactories.

3842. But you have a very considerable experience in the textile industry of Lancashire in regard to women, not out-workers?—No, I think that our women membership is pretty scattered, and is not particularly in Lancashire.

3843. Have you had any experience of many claims for minor complaints?—That is an opinion expressed by our branch secretaries, but it is very difficult to judge what are minor complaints. What may appear to one person to be a minor complaint, might be very serious. He would simply be judging by the name. The opinion is expressed, that a man or woman ought to have been able to go to work with such-and-such a complaint.

3844. (Mr. Wright.) Do you come into personal contact with your members to any appreciable extent?—Not generally. I meet a good many of them at meetings, but not in the general working now. I did formerly, but have not done so just recently.

3845. The evidence you have given us is derived mainly from the replies of your branch secretaries to the questions contained in the circular, which you issued, and of which we have a copy?—Yes, except the figures I have given, which have been taken mostly from our own records.

3846. Do your branch secretaries keep any account of sickness claims?—Yes.

3847. Do they keep an actual sickness register?—No.

3848. The sickness registers are kept at your head office in Manchester?—Yes, but they have a sickness register which serves the same purpose, supplied by the society.

3849. Applicable to State members?—Yes.

3850. And applicable to State benefit?—To suit all branches, yes.

3851. What I want to arrive at is, whether the ordinary State sickness register is kept by your office in Manchester, or by the branch secretary?—By the office in Manchester.

3852. Therefore your evidence is in part a compilation of statistics, collected from the actual State registers?—Yes, from the actual facts.

3853. How many branches have you?—Roughly, 960.

3854. Were these circulars issued to each of these branches?—Yes.

3855. Then you did not get replies from all of them?—No, not in time. They may be there by now.

3856. The evidence you have given is the result of information derived as respects two-thirds of your branches?—The evidence of sickness experience for the first three months of 1913 is derived from our records and is exact; the second three months represents nearly 70,000 members.

3857. Do your branch secretaries devote their whole time to the work?—Very few of them.

3858. May we take it that their financial position is improved by reason of the society becoming an approved society under the National Insurance Act?—Of course they get paid extra for State members.

3859. Are they appointed by the branch committee?—No, they are nominated by the branch, and their names are then sent forward to the board of management for appointment.

3860. I ask these questions because I want to know whether you think your secretaries would be disposed to give perfectly frank answers to these questions, or whether they would be influenced by the fact that it is their duty to the central committee to prevent these things as to which they are asked if they are taking place?—I do not think so. I think

they would be perfectly frank. In fact, some of them have been rather too frank. I mean they spoke very plainly.

3861. You place full reliance on the secretaries?—I think so. They are, usually speaking, the men we had prior to the Act.

3862. I see that question 8 on your form says: "Do you consider that some members claim benefit for minor ailments? If so, give instances, and also whether in such instances the person could work." The answer is: "Generally not, but in a few cases the answer is 'yes' for such ailments as headache, neuralgia, anaemia, carbuncle, pains in back. A good number of replies state that members remain on the funds longer than formerly." Can you supplement that statement at all?—I cannot, because a statement of that kind can only be an opinion of a branch secretary. It is a general assumption that a man might go to work. It would be very difficult to substantiate it. At the same time a branch secretary, as a rule, is a man used to his work, and he knows pretty well what he is asked, and his assumption is pretty well founded.

3863. May I suggest that it is not an assumption, but an actual statement that a good number of replies state that members remain on the funds longer than formerly. There is the statement that they do, as a matter of fact, remain on the funds longer than they did under the old conditions?—That is the opinion expressed.

3864. It is hardly an opinion?—It can only be an opinion.

3865. (Chairman.) The witness means that he cannot, of his own knowledge, do more than state the impression formed in the minds of these people, and cannot find out whether it was or was not so? You cannot make any reliable comparison?—Yes, they would have to be ill again to test that.

3866. You want more figures than you have at present?—Yes. The condition of a man's illness might be worse or better than it was previously.

3867. (Mr. Wright.) In your opinion, has the deprivation of sickness benefit for the first three days a tendency to increase or decrease the sickness experience?—I have not gone into that thoroughly, but I do not think it would tend to increase it. In one way it might increase it, by making a man say he will remain on the funds in order to get his benefit back. That would be condemning the man.

3868. It might?—I do not say it does. That is condemning the man. On the other hand, it might prevent a great many men from receiving benefit for little ailments such as the Chancellor described as "whiskeyitis," or something of that kind.

3869. You have 76,000 members insured on both sides—the fraternal side and the State side?—Yes.

3870. Are all those 76,000 members entitled to sickness benefit for the first three days of sickness?—Yes, from the voluntary section, providing they are in benefit.

3871. You provide sickness benefit for the first three days in respect of all who were formerly members on the fraternal side, and who reduced or who were paying for double benefits?—Yes, a man reducing his contribution gets his first three days, and whatever difference there may be. A man who is paying for both goes on exactly as he did before.

3872. As regards the man who became State insured, and then became insured for a small additional fraternal benefit, does he get any sickness benefit for the first three days?—Yes, under a special table.

3873. You are not able to give us any comparison as to the duration of sickness of those members who are insured on both sides, and those who are insured on the State side only?—No, not yet.

3874. I see question 13 on the form issued by you is: "Have you found it necessary to make any complaint to the insurance committee as to the conduct of doctors? If so, with what result." The answer from 13 branches is "Yes," and 505 say "No." Do you say anything in regard to that result?—No, I found that a few of the replies were "Yes," and that in some cases the doctors had neglected to sign the members' sick-

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ness schedules, and also to state the nature of the illness. I am not saying that each case was both of those reasons, but in some cases it was neglect to sign the schedules, and, in other cases, neglect to state the nature of the illness. The replies in each of those cases were that the complaint had been made, and the doctor agreed to sign the sickness schedule, and also to state the nature of the illness.

3875. The complaint to the insurance committee had satisfactory results as far as your society was concerned?—Yes, so far as I know.

3876. (Mr. Davies.) You stated that you had 17,034 women members. Can you give us the general employment of the women?—I am afraid I cannot. They are taken from all classes of the community, and we have them in nearly every county.

3877. So it would be impossible to take some trade where the experience would be exceptionally heavy?—We might, perhaps, take factory workers in Bristol. I had a test made there for the half year, and the sickness experience came to about 9s. It was put against a branch of 300 members, all domestics, at 3s. 6½d.

3878. How many would there be in that test?—Ninety-six.

3879. Ninety-six against three hundred?—Yes. That was an absolutely clear case. We might have mixed the trades up, but where it was stated to be factory workers, that was a clear case.

3880. You stated that you are strongest in membership in the southern counties. Would it be possible to give us the experience in those southern counties, as against the more northern or industrial centres. You have cut up the trades into various parts for us this morning, and by cutting them up you made it difficult to decide as to the north and the south. Can you help us as to that?—I am afraid I cannot. I am not able to take the same class of workers, that is the difficulty. If you take the agricultural labourers in the south they could be compared with the agricultural labourers in the north. I have not got that comparison here. Our engineering and trade building membership is in cities generally.

3881. That is really in the north?—And in Bristol.

3882. Bristol is about the only place in the Midlands that would give you experience?—Birmingham is another. Birmingham is not included in that list.

3883. So that Bristol is practically the only town you refer to?—No, there is Manchester. In engineering and building you get Manchester and Bristol, and one or two other towns.

3884. I should call Manchester further north. I was trying to get your experience in the south and compare it with the more northern counties?—In cities we are just as strong in the north as in the south. It is the agricultural element which increases membership in the south.

3885. I understood you to say that the excessive claims were not much, and, having regard to the general complaints on the subject, can you say how this has been avoided? Do you think the good spirit which existed between the doctors and the societies previously to the Act, and your desire, not to end, but to maintain that good spirit with the doctors has helped you in keeping your sickness rate down?—I would not like to say that that has been the cause. There is no doubt that, in country districts more especially, the same doctor is in attendance now as before the Act. He will have a general knowledge of the men. In city districts, I think, there has been more of a change of doctor through the member having a choice. There may not be the same relationship in the cities, but, generally speaking, in country districts the same doctor is in attendance as prior to the Act.

3886. My question is a very simple one. Is it a fact that you think that your friendly relationship with the doctors, and their having a knowledge of the work and the members have tended to a better understanding than would have been the case if you had not had that friendly relationship with them?—I think it is largely attributable to that. I have been delighted with some of the letters we have received

from doctors in regard to continuing with our old members. They have made things easy for them, when the Act came into operation. It shows the spirit that existed in some quarters.

3887. With reference to the question issued by you: "Do you think that members receive adequate treatment from the panel doctors?" you state that it is worse than the old system. Why?—That is only the opinion of 71 out of 517 branch secretaries.

3888. You cannot give us a reason why they think so?—I do not know why they should think so. There are one or two replies I have got, which I have not tabulated here, because they were not evidence of the whole of the replies. Their opinion was that the panel system was better, but the generality of opinion is that it is not better.

3889. Would a contributing cause be the special character of the sick visiting you have? You stated that those declaring on are visited once a week. Is there no other visit besides that?—Yes, the chairman or secretary, who pays the money, would also visit.

3890. So you have as a matter of fact two visits a week?—Yes.

3891. Those two visits are recorded on the special sheet that the member holds?—Yes.

3892. The fact, that they are visited twice a week gives a greater control over continuing sickness?—Yes.

3893. Is that a contributing fact?—Yes, it has a lot to do with it.

3894. In general terms, what is your opinion, from the experience of a large society, with regard to sick visiting in general. Would you consider it an absolute necessity, or do you think it could be dispensed with?—Without a substitute?

3895. Could you substitute anything better?—We could not dispense with it without a substitute, and the only substitute I can think of would be a whole-time visitor for a district. That would be keeping up the system of visiting. That is the only other system I can think of to counteract any tendency to malingering.

3896. Your considered answer is that you attach very great importance to sickness visiting for keeping down the claims?—I do. I think it also tends to a fraternal feeling. Some of our members in the old days did not always visit a man to catch him, but visited him as a friend.

3897. Reference has been made to the amounts set out in your rules for payment to sick visitors. Does not the small amount really mean that it is a small branch where you have only one visitor, that the work undertaken is not very great, and that where you have a larger branch, more than one sick visitor would be appointed?—It is all set out in the rules. Payment is in accordance with the rule. Some of the larger branches might have six visitors.

3898. With regard to the general principle of fines which is operating in friendly societies, do you think it is the amount of the fine imposed that makes the principle operate, that it stops a member from committing an offence, or that there is a moral effect in the fine, and that the member does not like, and will avoid the necessity of, being fined?—I think the moral influence has a great deal to do with it. If a man has to go before his fellows in a branch it must have a great effect upon him. A shilling fine is not very much, but the moral effect must be very great to a man who is in default.

3899. Is that not a reason why the conduct of a branch through its own members helps to maintain the standard of integrity?—I think so.

3900. With regard to the question of unemployment, you said you were going to give us answers with regard to that. Is not unemployment largely dealt with in societies by the raising of a special fund, and when a person is unemployed his contribution is paid from a central fund?—I did not think that I stated I was prepared to give evidence with regard to unemployment.

3901. In question 4 of your form you ask whether there are frequent periods of unemployment?—That is one of the questions sent out.

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3902. (*Chairman.*) Mr. Davies is asking whether you have a special unemployment fund?—In a good many branches it is not compulsory, but they have what is termed a benevolent fund. They have their own rules and subscribe whatever they settle among themselves to subscribe. They help one another in that way to pay any arrears that may accrue.

3903. Arrears of contributions?—Yes. It is used in various ways. It is what they call their benevolent fund. It is quite a branch matter, and does not enter into our rules at all.

3904. (*Mr. Davies.*) As to question 16 on your form, can you state to your knowledge that a prescription given to a person coming on the sick fund by a doctor has not been offered to the chemist, or that prescriptions have been offered by an individual, who has received them, for sale to a chemist?—I have not heard that.

3905. There has been no offer of a small payment from the chemist to give the prescription into his hand?—I have not heard of that.

3906. The Chairman pressed you very closely with regard to the referees being appointed by insurance committees. After considering your reply, you thought the referee should be appointed by the insurance committee?—Yes.

3907. Does that include a payment by the insurance committee of the whole cost of the doctor, and does it mean that the amount should be levied equally upon the societies?—My idea is that if the referee should be appointed by the insurance committee, all societies should be levied upon in accordance with their membership.

3908. You would not agree that any society, who did not believe a referee was necessary, and who objected to appoint a referee themselves should be allowed to contract out of any arrangement of that description?—That point did not cross my mind. I have not considered it. I naturally concluded that everybody was anxious to have such cases referred to a medical referee.

3909. But if such a society did desire to be left out, would you accord to them that right?—Certainly, if they wished to take their own risk. I rather like the idea of the London Insurance Committee. They have a medical referee, and the society, I think, pays 2s. 6d., but the committee pays any travelling expenses a member may have to incur over a mile. I would like to give my views in regard to that. I think that such a system would deter friendly societies from unduly sending people to a medical referee, especially if they had to pay 2s. 6d. or some fee. I am not saying that they should be deterred, but if they were entirely free from a levy, they might act carelessly in the matter. I am not saying they would, but if they had to pay their own bills they would be more careful.

3910. Question 21 on the form issued by you asks: "What do you consider the principal difficulties in administering the benefits under the Act, and whether more difficult than administering the benefits prior to the Act?" One of the answers is, "Having to get 'physic from chemist instead of doctor.'" What evidence have you to offer us that that is one of the difficulties you are now experiencing, which was not experienced previously?—The difficulty has been in several branches. The replies came from secretaries in country districts. The difficulty has been in getting to the chemists, they are such a long way apart. Formerly a doctor was able to prescribe and give the medicine straight away. They do not complain of the quality, I do not know whether they understand the quality. That is one of the difficulties in the country districts.

3911. Have you many complaints of this kind?—Not a great many.

3912. You do not set the number out here?—I could not ascertain that. I have not had time, but I took the general view.

3913. It is rather important to find out what proportion of your replies would be on these lines, and whether the replies have come from the secretaries, or from the persons themselves who have had to obtain the physic?—The persons themselves would complain to the secretary of the branch. As a rule

the branch secretaries get to know of all the complaints that are going, and a little more, too. This I believe to be one of them from the members about the trouble of having to fetch the physic.

3914. Were these complaints made when the new system began to operate, and before it had come fully into practice, or have they been of recent date?—I cannot tell you that. All I know is that that reply has been received, and there is no distinction made in the answer whether it applied to the first working of the Act or now.

3915. (*Miss Macarthur.*) Of the 17,000 women members you have, can you give us any idea of the proportion who are married women?—I can work it out for you, and let you know. It will mean a great deal of trouble in going through the cards.

3916. You cannot give us even an approximate idea, because naturally you will see that it affects your figures very greatly?—I do not think that there will be above a quarter who are married women. Perhaps not that.

3917. A quarter would be a large percentage?—I am afraid it would, but in testing two branches in Norwich some time ago for the first quarter, one composed largely of unmarried women and the other with a large proportion of married women, it was found that the branch containing the married women had a very much higher percentage of sickness.

3918. I rather gathered that, as far as you were aware, it was the practice of your society to pay claims in respect of pregnancy before the confinement?—In some cases it has been before the confinement, and in some cases after.

3919. It has been your practice, if the claim is made, to pay beforehand?—Yes; if it has not been connected with the confinement. It has usually been stated that there is another disease.

3920. (*Chairman.*) I do not follow; just confine yourself now to cases before delivery. I understood you to say that you paid in all cases claims which came forward although the disablement which was said to disqualify the women from work was only pregnancy?—In some cases I have noticed that has been the cause of the incapacity, and they have been paid, but I would not guarantee that all are paid.

3921. (*Miss Macarthur.*) Would you be surprised if you discovered that in some of your branches it was not the practice to pay claims for pregnancy simply?—I think our secretaries would, on the strength of the handbook which was issued, pay the benefit in those cases.

3922. Do you know that, as a matter of fact, they have paid?—In some cases they have.

3923. Do you know of any cases in which it has been refused?—I do not know any cases of refusal.

3924. (*Dr. Lauriston Shaw.*) There is just one point I should like to examine you upon. You told us that under the older system of friendly society arrangement with the doctors, the doctors got to know the friendly members very well?—Yes.

3925. I cannot quite understand how it is that the doctor does not know the member just as well as under the old system?—I think I explained. He does know him generally in the country districts, but in the city districts there has been a redistribution, as it were; the member, having free choice, has gone to another doctor.

3926. Can you give us any reason why he should go to another doctor?—I cannot, except that it is perhaps more convenient, in some cases on account of residence, or sometimes it is the fancy of the member.

3927. You would not think that it was because he thought that the old doctor was rather looking after the interests of your funds than looking after the interests of his health?—I should not think so. It is very difficult to define reasons of that kind. Having had to investigate a good many years ago many complaints made by members against doctors, we generally found it was because the member was a little bit at fault himself.

3928. There were such things as complaints against the doctors even in the good old days?—Occasionally, yes.

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3929. You have stated once or twice in answer to questions that you think some certificates given by doctors are untruthfully given?—I do not think I said that, did I?

3930. You said they have certified that they have "examined the person this day," when, as a matter of fact, they had not seen the patient?—You mean giving certificates declaring on and declaring off without seeing the patient. That is the reply of some of our branch secretaries, that certain cases have come to their knowledge.

3931. Does your certificate say "I have this day examined So-and-so"?—I hereby certify that Mr. So-and-so is this day at so-and-so p.m. or a.m. discharged "by me as able to follow his employment, witness my hand." He does not say he has seen him.

3932. There is nothing in the certificate which would lead the doctor to think he was doing anything wrong in certifying without seeing the patient?—Probably not; it depends on the doctor's view.

3933. The answer you gave me to think that you thought he was giving the certificate improperly?—I should like to say this: our sickness schedule on the voluntary section is framed differently from this, and we should like to have had that same schedule for the doctor to answer. We were rather precluded from having that.

3934. Then it is rather a question of the form of the certificate than the action of the doctor that troubles you in the present case?—I do not know. We naturally assume that the doctor is able to say of his own knowledge, even without filling up a certificate of this kind, that the man has actually recovered, and if he does not see him, I do not know whether he would be in a position to know.

3935. He could not possibly know from his knowledge of having seen him a few days before?—He might do.

3936. Is it necessary for a continuing certificate to be signed on a fixed date?—No, just when the doctor visits in the week.

3937. At any time?—Any time during the week.

3938. I think you have told us that your insured person and your secretary are sometimes in doubt as to the justifiability of paying sickness benefit in certain conditions?—I do not know whether the man has any qualms of conscience, but the secretary may think in his own mind that the man should go to work.

3939. Does your signing-on certificate require the man to state that he himself is incapable of work?—Yes, at the beginning: "I hereby give notice that I was rendered incapable of work as from 'so-and-so.'"

3940. You think your insured person knows what "incapable of work" means? Is the distinction which you have drawn between "incapable of following his employment" and "incapable of doing any work" clear to the mind of the insured person?—I think in his own mind he fills this up perhaps thinking he cannot work. If he is a man who knows he can work, and does not, he himself is telling an untruth.

3941. If he clearly understands what he is doing, he is intentionally deceiving?—If there are cases of that kind, the man would be intentionally deceiving. We naturally expect that the doctor will assist, if he can, in ascertaining whether a man is really well or not.

3942. Your declaring-off certificate says the doctor says the man is able to follow his employment?—Yes.

3943. Which is not quite the same thing as being able to do any sort of work?—No. This too is framed in accordance with the Commissioners' printed forms.

3944. There may be a little confusion in the minds of the doctor and the insured person, as to whether he is incapable of all sorts of work or incapable of following his employment?—I do not know. My own impression is that if I were a doctor, and if I were acquainted with a member, I should know his work, and I should know whether he was capable of following his work or not. I have heard it said, even by some of our branch secretaries, that members have gone to work, and the doctor would not sign them off. He may have had a good reason for it, but, as a rule, if a man is anxious to get back to work, he ought to be allowed to try at least.

3945. You cannot imagine a condition in which a man was anxious to get back to work, but if he were allowed to go, he would certainly be made permanently ill?—Yes, I have heard of such cases.

3946. It would be the doctor's duty to resist the desire of a patient to go back to work, if he knew that going back to work would do the patient permanent harm?—Certainly.

3947. In that respect, the doctor would be safeguarding your funds in refusing to allow the patient to go back to work?—In all these cases we are prepared to accept the decision of the doctor. The cases that I am thinking about more particularly are those where the doctor has said, "You had better not go to work for a few days; remain on the funds a bit longer," and the secretaries think that the man might go back to his work.

3948. It would be a question, would it not, of professional opinion as to whether a patient, by going back to his work, might do himself some harm?—In some cases I should think that that would be quite correct.

3949. It is a question whether the doctor or the agent would be likely to have the most valuable opinion on the question whether the patient would do himself some harm or not?—That is so up to a point. It is very difficult to explain one's meaning. I should not like to condemn the profession at all, but it has been stated very plainly that doctors have been rather easy with members in retaining them upon the funds. Of course, I cannot say how far that is true. I should not like to think it was very general.

3950. It would be natural that a person who was safeguarding the interests of the fund would look at it from a slightly different point of view from that of a person safeguarding the interests of the patient's health?—It might be that.

3951. From that point of view it might be desirable for the insured person to have a medical attendant who is primarily responsible for his health and not for your funds. Of course, from your point of view he is doing both, is he not? He is saving the person's health, and the funds in the long run?—We should not have any objection to a doctor using his professional knowledge in that way. What we object to, if there is anything in it at all, is that he should be a little too easy. If I might express an opinion, if it became general for medical men to do that, to my mind they would not only be spending the funds of the approved society unnecessarily, but they would be demoralising the people. I should not like to think the doctors would do that, but that would be the general effect, to my mind.

3952. Do you think if the doctor was in some uncertainty as to what was his real duty, both to the patient and the community, he might like to have some help from an independent opinion?—I have heard that opinion expressed many times prior to the Act coming in, that the doctor might be a little uncertain, and he would like to have a separate opinion.

3953. And the person appointed as the second opinion should be appointed by somebody whose interests were not directly concerned in safeguarding the funds?—If he is a conscientious man, I do not think it makes much difference.

3954. You used the word "conscientious" before. Is it not rather a question of conflict of interest as between the insured person's health and your funds? He may be perfectly conscientious, but may yet be uncertain as to which side to err on?—This is only an opinion, but I should say if the doctor was certain of his diagnosis, he would have a right to keep the man on the funds, or send him back to his work without considering whether the funds of the society were safeguarded or not.

3955. (Dr. Pearce.) You have told the Chairman that you cannot give him an idea of the wages earned by your members. Agricultural wages apart, do you think there are many of your members who earn a low wage—say a pound a week, or under?—Not very many. The general labourers would come under that category, but most of them would earn a pound or 25s. a week.

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3956. So that you have not many poorly paid members?—Not generally. We have a good many of the highly paid artisan class—engineers, and the others engaged in the building trade.

3957. There are not many poorly paid?—I cannot say the proportion. We are fairly mixed.

3958. The early experience of your society in benefits for women was not favourable, and I take it your society have not strong leanings towards that side of it. Can you conceive any safeguards which could be imposed? Do you think that there would be any advantage if there were separate forms of certificate for women and for men?—We have a separate colour, but no separate form.

3959. Separate wording?—Separate wording might be an advantage. We shall have that form of “declaring-off” altered shortly, when we are allowed to. If the societies could get a lead from the medical gentlemen to assist them, they would be very glad.

3960. In what way could you suggest that the certificate for women should be differently worded from that for men, to safeguard excessive claims by women?—I do not know. I have not thought it over, but I will do so.

3961. You have no medical examination. Did you have any medical examination of candidates before the Act came in?—Oh, yes.

3962. But since then, have you abandoned it for your voluntary side as well as your State side?—Yes, there is a declaration now.

3963. Then you have no statistics as to the sickness incidence of those who have been insured only since the Act came into operation, and those who were insured before?—No; it is too early yet to give a definite opinion on that.

3964. Have you any impression on your own mind?—My own impression is that a few cases have come in that we should not have received, if there had been a medical examination, but taking the general run, I do not think there is very much in it. Past experience has brought to my notice very forcibly that even when there was a medical examination—it may have been quite a coincidence—they came upon the funds immediately they were entitled to benefit, in spite of the medical examination. But it may have been quite outside the examination.

3965. Do you take any steps to investigate claims which have been in operation, say, for three or four weeks?—No.

3966. You go on paying without any question?—So far as I know. Of course, if they are genuine cases, and the doctor has filled up the certificates we have to depend on him very largely, but if there is any suspicion of malingering, or of it not being a genuine case, then extra supervision is given by the branch.

3967. Do you take any other steps?—Oh, no. From a good many illnesses our branch secretaries know, and we know too, that it is almost impossible to recover quickly.

3968. The cases which you have referred to a second medical man have been quite exceptional in the experience of your society?—Yes, that is so. There has not been a general rule.

3969. (Dr. Fulton.) There are two or three things I should like to ask about rule 21 dealing with members declaring on the fund for sickness and other benefits. Section (1): “A member under Part I. of these rules being sick or happening to meet with an accident. . . .” Does Part I. apply to members of the approved society?—That is not the approved section. Rule 10, Part II., applies to the approved section—payment of members during sickness.

3970. What proportion of your claims for the first half year since sickness benefit came into force do you think have been due to lives, which are bad, being admitted?—I have not gone into that question at all.

3971. Have you any reason to think they were fairly heavy? Were you heavily hit?—No, I do not think so. The only cases I think we were heavily hit by were cases for sanatoria, mainly amongst young women.

3972. Did cancer cases hit you at all?—We have not had many of those. Mostly consumptive cases.

3973. From your previous experience in friendly society work, have you found that the restriction of the personal liberty of persons on the funds is helpful in keeping them off?—Yes, I should think the supervision that is given has a great tendency to keep them off the funds, if they are liable to remain on longer than they ought to do.

3974. The rules with regard to personal liberty are no good unless there is efficient visitation?—No, we have efficient visitation.

3975. In your ordinary branch had you a heavy sickness experience for the first half of this year?—That is what I have been trying to ascertain. I think we have. The ordinary rate has been heavier.

3976. You would expect the insured section would also have a heavy experience for the first six months?—We have not found that.

3977. You have considerable experience of miners, have you not?—Yes.

3978. Do you think they are rather a heavy claim on your funds? Your society has already published figures on this?—Yes, I should like to point out this one fact, and it is of great importance in regard to that subject—under the Insurance Act compensated accidents are not paid for as sickness, but under the ordinary rules of a friendly society they are; so it was expected naturally that the sickness experience under the Act would be very much lighter, and no doubt it is very much lighter, even amongst miners, than if they were paid for as complaints.

3979. (Chairman.) You do not pay for all workmen's compensation claims in full on your friendly side, do you?—Not now. We used to do years ago. We made no difference.

3980. What do you do now?—We pay half.

3981. (Dr. Fulton.) Do your members realise in the approved section that they are not entitled to sick pay, if they are able to do any kind of work, though they may not be able to follow their usual employment?—I do not think the members realise that.

3982. Do you think the doctors realise it?—I do not know whether they know sufficient of the Act for that.

3983. Still, your view is that, in the approved section, a man who is capable of some form of work, but not perhaps capable of his own form of work, is not entitled to sick pay?—That is the interpretation of the Act.

3984. You have some members who are in both sections?—Yes.

3985. How do you get on with a man who is able to do some sort of work, but not able to attend to his employment, in view of your rule 21 of the ordinary section, which says, “any member being sick, and therefore “unable to attend to his employment”? Is he to be denied benefit under one section, and to get it under another?—No, he is not. There is no doubt that although the rules differ in that particular just now, the interpretation of Part II. is the same as Part I., that he is rendered incapable of following his own employment.

3986. Do you think, not necessarily from your own experience, but from experience of friendly society work generally, that it would be any help if certain strict rules were laid down as to pregnant women, and what complications of pregnancy they should receive sick pay for, and what not?—It would be a decided advantage.

3987. (Mr. Watson.) In the first place, you were good enough to give us some figures this morning showing that on the voluntary side the sickness claims in the first half of 1912 were probably about 45,000l., and in the first half of 1913 were about 50,000l.?—Yes.

3988. These figures include mining and other compensated accident claims?—Yes, except that miners only receive half benefit in compensation cases.

3989. And in respect of these compensation claims there is no question of double benefit. There is no reason to think that these compensation claims were more numerous in 1913 than in 1912?—I do not think it would be in that way, but under section 11 of

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the Act, a man insured in both sections cannot get sick pay under the Act, and, therefore, he goes to the voluntary section for it, if he is not a miner.

3990. He got no more in 1913 than he got in 1912 from the voluntary section?—Not a bit more—the man who had not divided his contributions.

3991. So that we can probably take an equal quantity out of both these amounts as representing compensation sickness?—Yes, I think we might.

3992. You have no idea what amount, I suppose?—No, I have no idea of that.

3993. The 5,000*l.* increase looks rather more serious when it is based upon the smaller amounts?—Yes; I do not know whether my opinion is backed up by any other society or the medical profession, but I think the first three months of the year is rather the heaviest time generally.

3994. (*Chairman.*) This year?—This year, and probably the result of the year's working may not appear as bad as the first half of the year.

3995. (*Mr. Watson.*) That is an impression, is it not?—That is all.

3996. It is possible, of course, to take the experience of societies, for instance, which have people who are entirely exempt from insurance, and, therefore, in whose case no question of double insurance can arise. You can test it by taking their experience whether this year was a bad year or a good year?—I cannot tell you that yet. You mean a man who is doubly insured?

3997. Yes?—The opinion expressed by several of our secretaries was to the effect that the man, who is doubly insured, remains on the funds longer.

3998. I wanted to know whether there is such an impression, because if it is suggested that the apparent increase in the claims is due to 1913 being a bad year as compared with 1912, and if that should be established, it obviously would be very unreasonable to allege that double insurance was the cause of the excess?—I cannot quite say definitely how it is, but the general impression has been given to me from branches in various parts of the country, that the double benefit has had a decided effect in increasing the sickness experience in the voluntary section.

3999. I do not know whether I got the figures correctly, but you said on the voluntary side in 1912 about 76,000 members insured for sickness benefit?—Those who came into the insurance—

4000. On the voluntary side before the Insurance Act, what was the number?—87,000 at the end of 1911 paying for sickness benefit in the voluntary section.

4001. And of those, 16,000 reduced contributions, leaving 71,000 who went on with double benefits?—Not necessarily, because a number of these were not insurable under the Act.

4002. How many members do you estimate were State insured?—I estimate that at least 50,000 are paying for both benefits. That would leave about 11,000 who were not compulsorily insurable.

4003. So that, roughly, of the 87,000 members who were under voluntary insurance in the first half of 1912, 16,000 dropped out in 1913 except in regard to the first three days?—Yes.

4004. And their places were taken by a number of other members who joined the society's voluntary side for small benefits?—In some cases small benefits, and in other cases from 5*s.* to 12*s. 6d.* per week under special tables.

4005. They would have to pay according to age?—Yes.

4006. So that those of them, who were advanced in age, would not be in the least likely to insure for high benefits?—No, the limit was 50 under that table.

4007. But the practical limit was that imposed by the contribution, which would be very high in advanced ages?—Yes.

4008. The probability is, therefore, that those who came in have either come in for quite small benefits or are, on the average, young people?—We should have a good number of young people under this table.

4009. And if they are people of more advanced age, they must have come in, as a rule, for small additional

benefits?—Just for the first three days, and death benefit, or something like that.

4010. What I am leading up to is the suggestion that the new people who come in have not imposed upon the old voluntary fund by any means the same liability as the falling off of the fund when 16,000 reduced their contributions?—No, but I should like to point this out. You know our tables pretty well; we have classes representing up to 1*l.* a week, and the effect of those who reduced their contributions by 1*s.* a month not receiving more than the first three days would be confined to Class (3). In that class they would only get the first three days at the full rate of 10*s.*, but in the higher classes 2*s. 6d.*, 5*s.*, 7*s. 6d.* and 10*s.* over and above the State benefit.

4011. You think, putting one thing against the other, that the 16,000 who reduced their contracts have taken off the voluntary fund a great deal more liability than has been imposed upon it in the first half of 1913 by the new entrants, especially bearing in mind that a great number of the new entrants would not, by the beginning of 1913, have come into benefit?—That may be so. I have thought of it, and could not quite account for it, except that there would be 16,000 shillings per month reduction in contributions, which would be perhaps more than made up, or equally made up, by the new entrants under the other classes. I am not exactly sure that they would balance, but they would very nearly, and perhaps the benefits under the new tables would be about equivalent to the reduced benefits on the old numbers.

4012. But the ages of the 16,000 people?—They are not all old members who have reduced their contributions. A good many of them are young men—farm labourers, and so on.

4013. You would not like to accept the suggestion that more liability has been taken off by the reduction of contracts than by the acceptance of new members?—It may be so; I should not like to give a definite opinion.

4014. If it should be the case, the 5,000*l.* increase would be more significant than it appears at first sight. Supposing the expectation in 1912 was 45,000*l.* and the actual cost was 45,000*l.* and in 1913 the expected cost was only 40,000*l.* while the actual cost was 50,000*l.*, instead of an apparent rise of 5,000*l.*, you have a real rise of 10,000*l.* on the half year?—I see.

4015. You will agree that if there were any change of that kind, the gravity of the situation is under-stated by the 5,000*l.*?—Yes, it would be.

4016. The constitution of the society on its approved side is, I understand, the same as on the voluntary side, that is to say, a central fund administered by local lodges or branches, which have no funds of their own, but are simply agents for the central fund?—That is so.

4017. And that system is practically unique, is it not, among the large friendly societies?—I think it is.

4018. You share it with perhaps one other society, which is a very much smaller society than yours. I am thinking of the Church Benefit Society?—I do not know how they are; it may be, but I thought they held their funds.

4019. But yours has that distinctive feature that while local lodges are responsible for all the supervision of the sick members, they are not, in fact, responsible for finding the money which goes to the sick members?—That is so.

4020. All the contributions go directly or indirectly to Manchester, and the claims are drawn from Manchester?—Yes.

4021. Do you find that that system has any tendency to weaken the sense of responsibility on the part of those officials?—Judging by the sickness experience of the affiliated orders, I should say no. The effect is just the same so far as the individual is concerned, because if there is a deficiency, he has to bear it.

4022. And do you think the local secretaries and local committees are as keenly alive to the necessity for safeguarding the funds, as if the money they actually handed out were absolutely under their own control, and its payment out depleted the funds under their control?—I would not say that. Of course, I have not had experience of the affiliated orders to that

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extent, but judging by the experience generally of the other orders, we are about the same, so it looks as if the supervision had about the same effect.

4023. I wanted to frame my question to keep out of mind altogether comparisons with the affiliated orders. What I want to get at is, from your own intimate knowledge of your secretaries and other officers of lodges, do you consider that they are careful, and fully realise that it is, in fact, their own money collectively which is being distributed?—Oh, yes, they realise that, and, in fact, the generality of our secretaries, and the branch officers too, are very careful in regard to the payment of sickness benefit.

4024. So that they do not tend to sacrifice the welfare of the whole body of members for the benefit of friends and neighbours who are nearest to them?—Not generally speaking. Our branch secretaries are pretty well acquainted with the state of affairs, and it has been pointed out to them from the very beginning, that it depends upon the valuation as to whether the society will have a surplus or a deficiency, and if there is either one or the other, the members would share in the surplus, or have to bear the deficiency; and they understand that, and look after the business thoroughly.

4025. I do not want to limit your answer to just the six months which have passed since the sickness benefit began to be paid under the Act. As the system is the same system you have always had, you have the most valuable personal experience of its operation, and it is obviously a very important system from the point of view of national insurance. I do not want you to think that I am suggesting any faults in the system; I want you to give me your opinion entirely from your own knowledge of its working, going back over your whole connection with the society. You do think that under this system you can educate the secretaries and officials to such a degree of responsibility, that they will not allow the centralised funds to be unduly depleted by favours shown to their friends and neighbours in their local lodges?—I think that is so. The majority of secretaries in their correspondence with me have expressed their anxiety that the funds should be safeguarded, and they are always ready to assist in anything that we put forward for the protection of the funds.

4026. You have had a good deal of excessive sickness in the past, I think?—Yes, that is the experience of the society.

4027. You do not think it is due in any degree to a weakening of the responsibility because the funds are in Manchester?—I do not think so. There may be one or two isolated cases, but generally, I do not think it is so.

4028. I notice that you said the State members handed in their cards at the monthly meeting next after the quarter terminated. Can members, who are insured on the State side only, attend the ordinary monthly meetings of the lodges?—There is nothing to prevent them.

4029. Do they, in fact, attend?—I cannot tell you, but a great many are insured in both sections, and, therefore, they attend. In fact, that is why they are invited, and told when the ordinary monthly meetings are, so that if they require further benefits they can come to the voluntary side for them.

4030. They are encouraged to attend?—Yes. They are informed by a print on the back of their insurance books when the branch monthly meetings are held for the receipt of ordinary contributions.

4031. You have no idea whether all of them take an active interest?—I cannot tell you that. That applies to the State insured only.

4032. Dealing with the point I was just discussing as to the sense of responsibility of local secretaries, you told us, I think, that out of 551 secretaries who have returned your form of inquiries, 136 had interviewed doctors with respect to sick members of your lodges?—Yes.

4033-4. That struck me as indicating a keen desire on the part of the secretaries to keep the sickness payments within bounds. We may take that, I think, as evidence that a large proportion of the secretaries

are closely watching the sickness claims?—Yes, we feel sure of that.

4035. Then there is the provision, which may have an important bearing upon sickness claims, in Rule 10 of your approved society rules: "And if it be known to any member that a sick member is violating this provision," as to going to public-houses and so forth, "or otherwise imposing upon the association, and such member neglects to give information thereof to the local officers, he shall be fined 2s. 6d." Is that rule actually enforced?—I am not aware of any cases just recently, but in my time of active connection with a large branch it was in operation.

4036. On the voluntary side?—Yes.

4037. And you have now incorporated it in the rules of your approved society?—Yes.

4038. So that it has become the duty, under penalty, of every member who knows of a breach of rules on the part of another member to acquaint the society with it?—Yes. To give an instance, at the branch meeting the sickness experience should always be read out by the secretary, though it is not always done, and the members wait and listen for the experience list. They then have a knowledge of who has been on the funds, or who is on the funds at the time, and it is done for the purpose of acquainting them in case they, in their rumblings, had come across one of these men, and occasionally a man has been spotted in that way, and has been seen by someone to have been working, while he has been drawing sick pay. If he knows a man is in receipt of sick pay, and he does not give information, he is fined.

4039. And that system is carried into the approved society as well as the voluntary side?—Yes.

4040. You expressed this morning a certain amount of commendation of the system of medical referees. You suggested, I think, that it would be a good plan for the society to have to pay part of the cost of obtaining the opinion of the medical referee. Have you carefully considered from what sources the society is to provide the money to pay medical referees?—No. I understand that up to now, if we had employed medical referees under our rules, we should have to pay for him ourselves out of the management fund, and I understand, too, that at Bristol, where they have a referee, he is paid out of the administration allowance from the approved society.

4041. So that you would in any case contemplate that medical referees, so far as they are paid by the societies, should be paid out of administration money?—That is how we have always acted, but we should have no objection to paying them out of the benefit funds, because if the reference to another medical man was justified, there would be a saving of sickness benefit.

4042. If the reference to the medical referee is justified, it means that you are saved from paying a claim that you ought not to have paid?—Yes.

4043. You are saved from paying a claim for which there is no financial provision made under the Act?—That is so.

4044. And if there is no financial provision made for that claim, equally there is no financial provision made for paying the medical referee for saving that claim?—No, there are many things we have to bear, which are not specifically mentioned in the Act.

4045. But if you pay for things which are not provided for in the financial scheme of the Act, you have to face a deficiency, have you not?—I do not know; we may not have a deficiency.

4046. You say you would have part of the cost of the medical referee paid from the funds of the society, and I think you had in mind that the other part would be paid from the funds of the insurance committee?—I should say the proper way is to pay him out of the sickness benefit, because, if the action is justifiable, the sickness benefit will be saved.

4047. Although the sickness benefit saved is a sickness benefit that ought never to have come on you?—We cannot avoid that, can we?

4048. One other point, with reference to medical referees. I am not quite clear whether you consider a second examination is necessary because you doubt

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the certificate given you by the panel doctor, or whether it is the panel doctor himself who thinks he would like a second opinion?—I would agree to both, for this reason: In some cases the branch officials have a suspicion, and when they wait upon the doctor he says: "I should like someone else to examine this man." Another case we have known is that the doctor himself has been suspicious, and yet he did not like to send the man off the funds, and he has said: "I prefer that some other medical man should examine this man."

4049. If a doctor is suspicious and wants the man examined by a second doctor, or if he wants a second opinion, because he is unable to make up his own mind on the case, do you not think it would be reasonable that the cost of the second opinion should be charged on the medical benefit?—Through the insurance committee? Yes, I do not mind which way it is at all. All we want is to have the matter put right.

4050. You were pressed a short time ago to say whether the doctor should have regard to the interests of the patient, or to the safeguarding of your funds. Do you not rather object to a wedge being driven between the member and the society in the description of the common fund as your fund, and the separation of the person from the other members? Is the sick member not a member of the society with the other members?—It is his fund.

4051. If there is insolvency, he has to bear his share of it?—Yes.

4052. So that there is no real separation of interest between the sick member and the other members?—But the sick member, if he wants to get benefit when he is not entitled to it, is running risks.

4053. The presumption is very strong in your mind, I gather, that where a member declares himself desirous of going to work, and the doctor is of opinion that he had better not, the member is, at any rate, capable of work?—He thinks he is capable of work, and, in a good many cases, perhaps, it would be better for him to try.

4054. As a practical administrator who has seen a great deal of this sort of thing, you would let him try?—I would, because I consider the man, as a rule, would know, unless the doctor was quite sure and knew the risk, and told the man plainly, "If you attempt it, certain consequences will result."

4055. If there is serious risk, the doctor's opinion ought to prevail?—Oh, yes.

4056. But if it is a mere question of whether he can now return to work, or whether he would be all the better for another week off, and he wants to go to work, you would let him go to work?—Yes, because I think the man feels he is able, and has overcome his debility, if it was debility.

4057. You consider that "incapable of work" means "incapable of following your own occupation"?—We have considered that point, and an alteration of our rules will occur in regard to that. It will be in conformity with the Act—"incapable of work."

4058. But "incapable of work" requires some interpretation, and in the daily course of events, in the management of your society, you have to interpret it, and you do interpret it, in accordance with long-standing practice, as meaning "incapable of working at the only employment which the man knows how to obtain, and how to keep." How do you interpret it, in fact?—I should think the general impression is that he is unable to follow his own employment.

4059. (Chairman.) But what is your impression? What is the practice of the society? What is the practice of the doctor? Does he sign them off, when they are incapable of following their employment?—That is the practice. It is the doctor who signs them off, and the reason it is being altered is that a certain number of men are following some employment, and are not able to attend their own employment. Take an engineer, who has perhaps some little failing and cannot follow his own employment, but is capable and does take up some other work eventually. Under the Act he has recovered, and is able to follow an employment, and he ought to be following an employment, and not imposing on the funds if he can do other work.

4060. (Mr. Watson.) Have your voluntary rules been so construed in the past as to require you to continue the payment of sickness benefit?—That is the reason why we are having them altered, because we have come across a good many of these cases.

4061. If the interpretation, which is now forced upon you, is not your own, but is that of the doctors, in what way will the position be altered when you have revised your voluntary rules?—The rule will be that he is unable to attend employment. I cannot tell you the exact wording, but it will be pretty well in the wording of the Act.

4062. Do you say the interpretation given to the words "incapable of work," is the interpretation adopted by the doctor, whatever that may be?—In the voluntary section?

4063. No, in the State section?—Generally speaking, that the man is not able to follow his usual occupation. I should think that is the general interpretation by the doctors.

4064. So that any alteration you may make in your voluntary rules will not bring any relief to your liability on the State side?—The State rules will also be altered. They will be made to fit.

4065. (Miss Wilson.) I want to ask you one more question on that point. Do you draw a distinction in the case of sickness, and in the case of disablement? You said just now that a miner might have some defect which would prevent his being a miner, but that he would be able to do something else. In that case you would not think him a fit subject, would you, for permanent disablement pay?—I think that I said an engineer.

4066. Yes, I am sorry, an engineer?—He would not be a fit subject for permanent disablement pay.

4067. I want you to put out of your mind the question of the interpretation of the Act, and to tell us whether you have in practice drawn a distinction between sickness pay, and permanent disablement pay, and whether you have thought it reasonable to require a man to find another occupation where it has been a case of permanent disablement, but not where it has been a case of temporary sickness, which has prevented him following his own occupation?—That is just the point.

4068. Have you drawn a distinction between sickness pay and permanent disablement pay?—I have cases in mind where men have been in receipt of sick pay year after year.

4069. I am talking of your voluntary side, because the disablement pay under the Act has not come in?—Yes, and it really applies to men who have run through their full, and half, and have got on to their permanent sick pay, and yet they may be capable of following some other occupation than their own.

4070. And you intend to alter that, and make it conform with what will be your interpretation of disablement on the State side?—Yes.

4071. But you have in mind disablement, rather than temporary sickness, which might prevent a man following his own occupation?—Oh, yes.

4072. But might not prevent his following some other occupation. I mean that you are making a distinction between the two?—Yes, because a man might remain on the fund for a long period quite unable to work.

4073. Do you refuse sickness benefit to unmarried mothers in the case of sickness connected with pregnancy on the ground of misconduct?—We practise the Act.

4074. In reply to the Chairman you said that in the case of certain diseases you refuse sickness benefit on the ground of misconduct. Do you refuse it to unmarried mothers for sickness connected with pregnancy on the ground that their condition has been caused by misconduct?—Yes. I have two cases in mind where it has been refused on those grounds.

4075. You do not make a practice of it?—Those are the only two cases which have come to my notice.

4076. Those are the only two which have arisen?—Those are the only two which have been pointed out by the branch secretaries.

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4077. And you have refused it?—Yes, in those two cases.

4078. (Chairman.) The branch or the chief office?—The branch applied to the chief office first, and they thought, and we thought, that the case came under the category of "misconduct."

4079. (Miss Wilson.) You said that you had had some experience of inquiry into compensation cases. Can you give us any details as the result of your inquiries into cases of industrial diseases as opposed to accidents? Have you got any figures about them?—No. I have no figures, but in cases of lead poisoning, or anything of that kind, or even of a poisoned finger, or of an arm, if it happened at work, we do inquire.

4080. If you found "plumbism" on the certificate of a man who was a painter, would you inquire further?—Yes.

4081. But you have no figures which you could give us for any particular occupation?—No, not yet, but we notice all those points.

4082. I am not quite sure whether I am right in having gathered that your women are entirely in quite separate branches?—Yes, they are kept entirely in separate branches.

4083. They always have women secretaries?—Not altogether. In some cases that has been found impossible, and in other cases they did not know sufficient about the work to do it, and preferred that the ordinary secretary should carry on the work. Wherever possible, however, we have arranged for a woman secretary.

4084. Was it also your practice on your private side to keep the women in separate branches?—Yes, we had a few separate branches, but even when they were connected with another branch, they had separate meeting nights, and their accounts were kept separately, so that, practically speaking, they were separate.

4085. You gave us figures of your experience of men's and women's sickness for the first quarter, have you got the figures for the second quarter?—Not entirely.

4086. I know that you gave us some test figures for the second quarter, but you said you would see whether you would be able to supply us later with the figures for the second quarter, which you will agree are more valuable than those for the first quarter?—We can supply those later, though I do not know when; but the test of 70,000 persons gives a little less than the first quarter. Practically speaking, it comes to a penny per member less for the second quarter than for the first quarter.

4087. (Chairman.) You come before us to-day in two capacities. You come before us both as an expert with a long experience of friendly society work, giving us your own opinions on these various questions, do you not?—Yes. I have had a fairly long experience.

4088. And you also come reporting the opinions that have been given to you by other people—the secretaries of your branches?—That is so.

The witness withdrew.

Mr. FRED THOMAS (Chief Clerk to the Insurance Section of the Amalgamated Weavers' Association) examined.

4100. (Chairman.) You are the chief clerk, are you not, to the insurance section of the Amalgamated Weavers' Association?—That is so.

4101. That is a separate section formed by a trade union, and was not in existence before the Act?—Yes.

4102. For the purpose of carrying on business under the Act?—Yes.

4103. What was the name of the trade union?—Still the same, the Amalgamated Weavers' Association.

4104. Were you an official of that union?—Up to nearly two years ago I was one of the branch secretaries.

4105. And then what were you?—I retired on account of ill-health.

4106. And you came back to take up this work?—Yes.

4107. How many members are there in the trade union?—About 180,000.

4089. So that your evidence falls into two categories—that which comes from your own experience, and that which comes from other people?—Yes.

4090. So far as it comes from other people, you offer it for what it is worth, but you do not vouch for it?—Yes.

4091. Sometimes you were pressed as if the matters could be within your own knowledge, when many of them could not be within your own knowledge?—That is so. Questions of facts and figures are within my own knowledge. Some of the other questions are not, but we can give you the information.

4092. Have you before you a copy of your own form of sickness certificate?—Yes.

4093. Have you also before you the documents which the Commission sent out, as the suggested form of certificate?—No; I have not that with me.

4094. On the second page of your form there is a statement to this effect: "The doctor corroborating the member's declaration should give the subjoined certificate by entering his initials and the date in the space indicated." The certificate reads: "I hereby certify that ——— is in my opinion still incapable of work"?—That is so.

4095. That is corroborating, as it says, the statement which appears on the left-hand side of this declaration, which says: "I hereby declare that I am still incapable of work, and claim the benefit due to me"? As a secretary of a society do you mean to suggest that a man would honestly sign that continuing certificate without seeing the person?—I do not know. I can tell you the intention of it. The intention of it is that when a man visits the doctor, or when the doctor visits the man, the doctor should have this to sign.

4096. I do not want to ask questions as to the intention, but I am obliged to clear this matter up. Could you, as a secretary, carry on business if the idea was commonly held among doctors, that they could sign this certificate without seeing the person?—No, we expect them to see the person before signing it.

4097. Speaking as an ordinary man in the street, do you think that there is anything in that which suggests that he can sign it without seeing him?—I do not.

4098-9. Look at the footnote. It says: "I hereby certify that Mr. ——— is this day at ——— a.m. or ——— p.m. discharged by me as recovered, and able to follow his employment." I do not want to ask you about the intention, because we must gather the intention from the form; but what has your experience been in the past? I want to know whether you can carry on business if the people who have that certificate to sign, saying that on a particular day and at a particular time they discharge somebody as fit for employment, do so without seeing the person?—No, I do not think that it can be carried on properly unless the doctor sees the man.

4108. And how many members of the approved society?—Just a few short of 90,000.

4109. Are all the members of the approved society also members of the union?—All the members of the approved section are members of the union, or were at the time of entry.

4110. That is to say, 90,000 all members of the union?—Yes.

4111. How many are men?—Approximately, 24,000 men, and 66,000 women.

4112. What do you say generally on the question whether claims are in fact being made which are, in your opinion, unjustifiable, of course, thinking only now of the National Insurance Act?—Our chief difficulty seems to be with regard to married women in pregnancy cases.

4113. What have you to say about that? Let us take the men first. You have 24,000 men. Do you find

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that they are making claims which are unjustifiable?—Very few, indeed.

4114. And so far as you have gone at present, are you finding that the sickness rate in their case is, at any rate, not higher than the expected rate?—It is much below the estimate of the Commissioners.

4115. And your own estimate?—We had nothing to go upon before.

4116. With regard to the women, you say that the case is otherwise?—Yes.

4117. There are 66,000 women. What proportion of them are married?—37 per cent.

4118. Do you mind telling me in actual figures, approximately again?—I had better just give you the exact figures. There are 24,192, that is 36·99 per cent.

4119. You say that with respect to women, and married women in particular, claims come forward which you regard as unjustifiable?—Yes, under the Act.

4120. And most of those claims are in some way connected with pregnancy, strictly so called. You are thinking of the state before child-birth?—Yes.

4121. What do you find in regard to these claims? Are there any general observations with regard to them which you would like to make?—Yes. I can give you typical cases which I think would give you the whole idea. In many districts married women, when they begin to show signs of pregnancy, get a broad hint from the employer or manager that they had better cease work.

4122. At about what month would that be?—Perhaps three and up to five months before confinement. They are under the impression that that is the time that they can come on to the benefit fund, and they have got their information from the hand-book to the administration of sickness and maternity benefits issued by the Commissioners, paragraph 110. That gives them almost the full information that they are entitled to start from that period, and go on all the way through.

4123. Having been misled in this manner, what do they do?—They make the claim. They go to the doctor on the panel.

4124. And what does he do?—He invariably gives them a certificate.

4125. What does it certify?—Pregnancy.

4126. That and nothing more?—In many cases.

4127. Let us reject for the moment the cases in which there is something besides pregnancy?—If we reject a certificate on pregnancy, they take it back to the doctor, and he puts something else on—"debility."

4128. And what happens when it comes back with "debility" and not "pregnancy"?—One must then exercise a very great amount of discretion, and we send our lady visitor. She has a long conversation with the woman, and, if she thinks that she is incapable of work, we pay her.

4129. I want to get at it like this: There are a large number of cases, to which you attribute all your misfortunes, which in one way or another are due to the condition of married women?—Yes.

4130. I assume you would agree that a fair proportion of those are married women, who cannot and ought not to go to work?—Yes, undoubtedly.

4131. What do you do in those cases?—We pay them.

4132. What are the *differentia* by which you distinguish those cases in which you pay, and those cases in which you, at any rate, make a struggle against paying?—It is very difficult for a man to tell, but we rely very largely on the women visitors.

4133. Perhaps you would like to turn from generalities to something more particular. In the first place, your society is a centralised society, I suppose, and has no registered branches?—We have no registered branches.

4134. Has it unregistered branches?—No, they are not unregistered branches. They are agencies; "districts" we call them.

4135. Where is your head office?—At Accrington.

4136. Are there other agencies scattered throughout Lancashire?—Yes, 36.

4137. Are they all in Lancashire?—We just get over the border into Yorkshire, Cheshire and Derbyshire.

4138. You do not touch heavy woollens?—Oh, no, entirely confined to cotton.

4139. Suppose a claim for benefit is made, is it passed through one of these 36 offices?—Yes.

4140. And does that district forward it to you at Accrington?—No, they deal with it directly.

4141. Who is it that deals with it?—The secretary and the committee of the trade union, exactly the same as they deal with any other trade union business.

4142. There is a secretary and a committee in each of these 36 places, who have been elected by the trade union members?—Yes.

4143. They deal with all claims made under the Act?—Yes.

4144. Is there any rule that each committee has to include among its members persons who are insured under the Act? You have twice the number in the trade union that you have in the approved society?—Yes.

4145. So that theoretically each one of these committees might be made up of persons who are trade unionists, but who are not members of the approved society?—Oh, yes, we have got a large number. They are not all members of the approved side.

4146. Is care taken to see that there are some approved members on the committee?—All have some.

4147. How big are the committees?—They vary from 10 to 24 persons.

4148. And each of them has a secretary?—Yes.

4149. A paid official?—Paid, but perhaps not a permanent official in the sense that he is not working at the mill. It all depends upon the size of the district.

4150. Not necessarily a whole-time official?—No.

4151. Do they have women among their members?—No.

4152. In every case is that so?—No, only a few.

4153. Is there any rule about women being on the committees?—Each district has its own rules from a trade union point of view. They are really districts under the trade union section, districts and branches, separate and distinct from the amalgamation.

4154. The amalgamation is composed of all these districts put together?—Yes, but only for protective purposes. They are not governed from the central office. Each district elects its own committee in its own way.

4155. Some of those rules leave it open whether there should be women, and some require women?—Yes. I should think that in the case of Oldham, Bolton, Hyde, Wigan—all these districts would have it that women must be on.

4156. You think that it may be so, but you do not know?—I would not say as a positive fact that it says so in the rules.

4157. You think that at Bolton, and these other places, they may have a necessity for women, but you do not know?—I am not positive that it is in the rules.

4158. Are you, or are you not, prepared to pledge yourself that there are women on the committees in those particular places?—I know that there are women in those cases.

4159. We have got so far that at each place there is a committee and a paid secretary. Is that paid secretary ever a woman?—No.

4160. Are there any officials of these separate bodies beside the committee and the secretary?—Yes, there are collectors in all districts.

4161. That is entirely for trade union business?—Yes.

4162. I meant for the approved society?—We have sick visitors in all the districts.

4163. Before the Act you did not pay any sickness benefit?—No.

4164. Had you a funeral benefit?—Yes.

4165. And out of work benefit?—Yes.

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[Continued.]

4166. So that you came into the sickness benefit business for the first time in 1912?—Yes, entirely raw to the business.

4167. Did the committees thereupon appoint sick visitors in these places?—Not until three or four months after the sickness benefits came into operation.

4168. That is in April last year?—At about the end of six months we had got all the districts supplied with lady visitors.

4169. Each district has in fact appointed a sick visitor?—Not each. Only the large districts could afford to appoint one. We grouped together a large number of the small districts, and we work them from the central office.

4170. And they are your servants, and not those of the districts?—Yes, we have two at the central office.

4171. Which districts do those two serve?—The other districts appoint their own sick visitors, and they have them under their own control. The following are the districts which we work from the head office:—Accrington, Padiham, Haslingden, Rishton, Ramsbottom, Clitheroe, Todmorden, Bamber Bridge, Bacup, Whitworth, Macclesfield, Church, Darwen, Great Harwood, Clayton-le-Moors, Barnoldswick, Skipton, Manchester, and Wigan.

4172. They are very much scattered?—All those districts are governed from the central office with regard to sick visiting.

4173. They do not form a coherent geographical whole. They range from Skipton to Macclesfield?—Some of our small districts are on the outskirts, and practically we embrace the whole of the amalgamation with the exception of the big towns like Blackburn, and so on.

4174. These districts are worked by sick visitors from the head office?—Yes.

4175. Are they male or female?—Female.

4176. How do they get about?—One resides in Bury, and the other in Accrington. We split the county into two. The Bury visitor takes south Lancashire.

4177. And north Cheshire?—We have only Macclesfield in Cheshire.

4178. There is Hyde?—Hyde has its own visitor. Then the other visitor from Accrington takes the north right up to Skipton.

4179. It is rather a big job?—Yes, but they get about fairly well with the train service.

4180. How many of your approved members reside in the area looked after by those two visitors?—Between 20,000 and 25,000.

4181. Now turn from those people to the case of the big towns. Would you mind telling us what is the sick visiting staff with regard to them? Just give us the names of the towns?—The whole of the towns appoint their own sick visitors.

4182. How many are there?—We have Blackburn, Burnley, Ashton-under-Lyne, Preston, Chorley, Oldham, Bury, Heywood, Hyde, Colne, Rossendale, Bolton, Rochdale and Stockport.

4183. Accrington falls into the other category, because the head office is there, I suppose?—Accrington itself cannot really afford a sick visitor.

4184. There are not enough there?—They must have somewhere about 4,000 members. We have apportioned our expenses out. There is so much for sick visiting, and so much for paying claims, and if the district cannot afford to pay a sick visitor on the basis of that apportionment, then it comes into the group.

4185. It is not because some are towns and some are what you call the country, but it is because of the number of weavers that there are?—Yes.

4186. What is the system? Have they each got their own visitor?—Some go together.

4187. Which go together?—Hyde and Ashton-under-Lyne. Then take a district like Rochdale. They have a part-time sick visitor. I believe the secretary's wife is the sick visitor in that case.

4188. At Rochdale there is a part-time visitor?—Yes. Stockport is the same. We come back to the large towns such as Blackburn and Burnley. Burnley

has three women visitors and two men, but they are also payers. They take the money as well. Blackburn has two women and one man, and they are also payers. They take the sickness benefit to the houses. Preston has one woman visitor. In Chorley there is a part-time visitor. In Oldham there is one woman and a part-time visitor. In Bury there is also a woman and a part-time woman visitor. In Heywood there is a whole-time woman visitor; and in Bolton there is the same.

4189. What do you pay the two people who look after what I may call the scattered districts?—30s. per week and railway fares.

4190. Do you know what the other people are paid?—Yes, it is about 25s. That is about the average, 25s. to 27s.

4191. Could you give us any sort of idea what number these people have to look after in the big towns?—The rule is fixed by the amount that is allowed. For instance, Burnley has 11,000 women members. We allow them 2d. per member per annum, and they appoint visitors in accordance with the amount they can get.

4192. You have taken 2d. per annum per member as being the total that you spend on sick visiting?—That is so.

4193. Is it a regular system, or a sort of casual system? Have they got a duty to visit everybody every week?—Every morning they are supplied with the names of the persons on the sick list. If it is a very big list the secretary picks and chooses those cases which he thinks ought to be visited first, and then, if there is any spare time, they fill it up by visiting the rest of the members of whom they have any suspicion.

4194. He picks and chooses those people whom he has *a priori* some ground for suspecting?—There may be justification for visiting on many grounds, and not only that he thinks that they are not ill. Lancashire women have a tendency to do house-work. They cannot sit still and do nothing. We have a great difficulty with our women members. However ill they may be, they will not sit down and do nothing. They must be doing house-work. We do not think that altogether tends to getting them right for the mill.

4195. There are two points of view. You can choose whichever you like, or you can mix the two up. Is it that you suggest that, knowing that they can do house-work and draw 7s. 6d. per week, they go on sick benefit when they are not ill?—I do not say that.

4196. Or is it that, being sick, they are so seized with a desire to work at something that they spring from their beds unable to resist the temptations of the wash-tub?—We had better put it this way: I do not think that many women get on to the fund unless they are incapable of work and are sick.

4197. Really incapable of work?—Yes.

4198. You mean incapable of doing their work at the loom?—Yes.

4199. I do not mean incapable of doing dusting?—Incapable of doing work at the mill. They will not go off work until they are really incapable of doing work, but once they have gone off work they have a tendency, womanlike, to potter about the house doing any little job that they can find, and if they feel capable they must clean down. That is our biggest difficulty with these women. They are ill when they go off work, but I do not think that a lot of house-work helps to make them better.

4200. You have two complaints: One is that they keep themselves ill longer than they need be ill, because they will clean down, and is the other that, having recovered, they insist on cleaning down before they return to work?—I do not say that they insist on cleaning down before they return to work, having got over their illness. We have a large number of cases where they sign off, and then clean down.

4201. Do you find that having once got on to the fund it is difficult to get them off, even although they are cured?—No, I do not say that it is difficult, but there is a tendency to work when they should not.

4202. You are quite sure that you are not making any other complaint?—I do not want to mislead the

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Committee. I want you to clearly understand that when a woman gets on, she is really ill and cannot follow her ordinary work. Once she gets off work, she has a feeling that she ought to be doing some house-work. She has that feeling. I do not think that women can help it. She must do it. It is a habit that they had long enough before the Act came into operation. When they go off work, however ill they may be, unless, of course, it is very serious, they must clean down. We want to stop that. We find it going on, and whenever we find it, we cut them off.

4203. With regard to these pregnant women, do you say that they are really ill when they go off work?—No, I do not say so.

4204. That is the large proportion of the cases?—Most of the women are compelled to leave.

4205. By whom?—They have a broad hint, or they are told straight by those in authority.

4206. What do those in authority say?—I cannot say exactly, but they say that it is not decent for them to stay at the looms.

4207. Yes, and then they keep away?—Yes.

4208. You probably agree with those in authority?—Yes, speaking broadly, I quite agree with it, outside the Act.

4209. There are two distinct cases. There may be instincts of decency which keep the woman away, but that is no reason why she should go on the funds?—Quite.

4210. I suppose that she used to stop away before?—Yes.

4211. Now she regards it as an opportunity of getting on to the fund?—There is very little difficulty in getting a certificate to get on to the fund.

4212. Would you just add to that anything that you have got in your head with regard to these pregnant women?—They are under the impression that once they have to leave the mill, they ought to be paid. They are also under the impression that the money comes from the Government, and not from their own fund. That is the misconception with which we have to deal with regard to the women under the Insurance Act. They do not realise that, the more money they draw, perhaps the less benefits they will get at some date when the valuation comes. They are under the impression that they are getting it from Lloyd George—that is how it is put—that he is going to find the money, that he is paying it, and that they are going to have it.

4213. Were they insured before the Act came into operation?—These people were not.

4214. I suppose that the men were?—Not a big lot. Through the friendly societies, perhaps. I should not like to say the proportion of friendly society men that we have. We have some, but I would not like to name any figure.

4215. You think that they simply do not understand that this is an insurance fund, but that they think it is a fund which ought to support people who want 7s. 6d. per week, and cannot earn it?—They are under the impression that when they go off work, because they are incapable of work, they ought to draw. That is the general impression.

4216. You do not agree with that point of view?—I agree with it personally outside any question of funds or valuation. I think it is proper that they should stay at home, but as to paying them, our funds will not allow it.

4217. And were not constructed on a basis intended to allow it?—I do not think that they were. On the estimate of the Commissioners it cannot possibly be done.

4218. Have you anything more to say upon that question?—A short time ago we found that this was our serious drawback, and we got the figures from the districts as to the actual number that had drawn, and the maternity benefits. I want to be very careful with regard to this, because unless it is given with an explanation, it may be misleading. The instruction I gave was this: "I want you to ascertain the number" of maternity cases that you have had, the number "of maternity benefits that you have paid, and the" number of weeks these people were on benefit before "signing off after confinement."

4219. After confinement?—After confinement. A number of these cases may come on the fund a second time. Once they sign off we say that closes the maternity case. The figures are from the whole of the districts for a certain period—1,250.

4220. For how long?—There is no fixed period. Any period in which the case was finished.

4221. There was a certain time by which it was to be sent in?—From 12th January up to the date of sending in the return.

4222. What was that date?—Perhaps about a month ago. During all that time the cases that were finished were 1,250.

4223. That is 1,250 cases in which maternity benefit was paid?—By our society, or by some other society to the husband.

4224. In which the woman came on to the fund, and drew at least four weeks' sickness benefit?—Yes, and the average number of weeks paid in all the cases was 7 weeks $1\frac{1}{2}$ days.

4225. Do you mean since confinement?—No, for the whole case, from the beginning to the end, to signing off after confinement. Perhaps she may have been off two months before confinement and have drawn four weeks after confinement, making twelve weeks. Then if she came on after, it was not reckoned in.

4226. The average of that was 7 weeks?—7 weeks $1\frac{1}{2}$ days. We thought that was a fair indication of what was being done with regard to maternity cases.

4227. Can you take that a little further and say what was the average time before, and the average time after, confinement?—I could not do that.

4228. Looking at it from my point of view, there is a vast difference between claims made during the period of pregnancy, and the claims made during the period after confinement. They stand on quite a different footing?—Yes.

4229. And you may have a complaint with regard to the other period, but it will be quite a different complaint?—Yes.

4230. So that I should like the thing analysed, giving the two?—I could not do that. All I can say is that some districts never paid more than four weeks.

4231. Do you mean that they probably never paid more?—Yes, they were under the impression that nothing more than four weeks was allowed.

4232. You mean from the date of confinement?—Yes.

4233. They took it that the woman was entitled to 30s. down and to 30s. in instalments of 7s. 6d.?—Yes.

4234. Did they pay 7s. 6d. whether she stopped at home or not?—They cannot go to work under the Factory Acts under a month.

4235. I forgot that for the moment. Am I to take it that, in practically every one of those 1,250 cases, four weeks subsequent to confinement have been paid for?—Yes.

4236. And in some cases more?—Yes, at least the four. I have only had about two cases of inquiry—from Accrington—with regard to what they should do in the case of a woman who, after having been three weeks ill, was able and fit to go to work.

4237. But was not allowed to go?—Of course they stopped the pay.

4238. Do you mean that they never go out in other capacities?—Charing and something like that? I have not found any.

4239. They stick to the loom, or do nothing at all?—They stick to the loom as long as they can, and go back as soon as possible.

4240. That does not affect the case?—It is only one or two out of 1,250.

4241. In the other 1,249 cases the woman was confined, and was attended either by a doctor or a midwife?—Yes.

4242. And thereupon a certificate was given either by the midwife or the doctor?—Yes.

4243. It certified the fact of delivery?—Yes.

4244. Was any further certificate obtained during the month?—I am afraid that some of our districts are rather lax on that, from the central office point of view. We expect a certificate every week even during:

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confinement, but some districts were under the impression that, once they were confined, they need not have a certificate for a whole month.

4245. And what is your view?—That we ought to have one every week.

4246. Is your view that she is only entitled to four weeks, if she is really laid up?—That is so, and until the amending Act comes into operation, that ought to continue.

4247. When it comes into operation that will disappear?—Yes.

4248. So that it is an academic point except so far as your past practice is concerned?—Yes.

4249. If in every case at least four weeks after confinement was paid for, it seems to follow that on the average, no very long periods are paid for before confinement?—Not a very long period. It could not possibly go beyond three weeks.

4250. The net average for the whole thing was three weeks?—Yes.

4251. Do you find that every woman puts in some claim before confinement?—We have never known a case where it has been missed, except one. It occurred about a fortnight ago. I had a message that a woman had failed to put in a maternity claim.

4252. I mean for sickness benefit?—I have not had a case.

4253. There is only an average of three weeks to be distributed over the lot, so that nobody can have claimed for very long?—It may not seem a long time on the average, but I know one case where 26 weeks were paid before confinement.

4254. I was rather suggesting that if everybody makes a claim, and the net average is just over three weeks, there is not much room for a long claim?—We are assuming that the maternity claim would be four weeks.

4255. I am not saying that you are wrong. It may very well be that you are entitled not to pay at all before delivery, but whichever way you take it, there is no evidence of any great length of claim before?—Not on the average.

4256. I want you to turn from that, and to consider the question of the doctor and his general position towards the working of the Act among your members. In the first place, you have, I suppose, seen a good deal of the doctors, and have been able to judge whether they have been helping to run the Act?—I have not been in direct touch with the doctors very much, except through the Lancashire County Insurance Committee.

4257. Are you a member of that committee?—Yes.

4258. Still I suppose from hearing what your district secretaries have said, and knowing what they complain of, and what they do not complain of, you have drawn certain conclusions?—Yes.

4259. What is your general observation as to the attitude of the doctors towards the Act?—I look upon them now as human beings. I used to look upon them as superior persons, particularly unselfish, and always anxious to do what they possibly could to advise the family, but since the Insurance Act has been in operation, I am inclined to think that they have shown a little bit more human nature than they did before. I do not say this in any way derogatory to them. I can understand the doctor's position. Having a large number of people on his panel, and these people being under the impression that, whatever ailments they possess, they ought to run to the doctor, he has become a little bit irritated, and he has lost his temper. He has now got over that difficulty, and at the present time I think that the doctors are doing fairly well. We have little to complain about.

4260. Do you think now that he is a human being or an angel?—He has got down to his ordinary nature, and is doing his best to help them.

4261. He is doing his best to help?—Yes, giving sound advice, though perhaps a little bit contrary to our intentions; and he is advising the people not only to claim, but also to stop away from work. Some day we may see the effect of this advice by the doctor: "Stay away until you get properly well, and then

"perhaps you can go on longer without coming on again." That is the view the doctors are taking.

4262. Speaking from your own experience, the doctors in Lancashire are doing the best they can in a perfectly genuine spirit to help the Act to run smoothly?—Yes.

4263. Although their view, and your view, of the Act may slightly differ?—Yes.

4264. You look at the thing from one point of view, and they from another?—Yes.

4265. You would expect to find a divergence in the points of view?—Yes.

4266. There will always be a little pull between you and them?—Perhaps our interests are a little bit opposed. We are trying to keep our funds down, and they are trying to get people better. Perhaps in the ultimate result we may both be alike.

4267. You are thinking of the interests of the insured people?—Yes.

4268. They are also thinking of the interest of the insured person?—Of the ultimate health of the insured, yes.

4269. Do the doctors fully realise that they are not your funds, but those of the insured people?—I would not like to say.

4270. Perhaps it is a question you cannot answer?—I do not think so.

4271. Have you any difficulty in getting the certificate you require filled up in the way you require?—Not now.

4272. Had you at first?—We had great difficulty in Lancashire. They would persist in putting the word "illness" on.

4273. Has that entirely disappeared now?—Almost absolutely. I think the doctors are carrying out the understanding come to with the Lancashire Insurance Committee.

4274. You have not any doctors working in the Leigh district?—You mean the district near Bolton. I do not think that we have a big lot of people there, but it belongs to the Bolton district.

4275. Your attention has not been called to anything happening there with regard to the doctors' practice?—I know what is going on there.

4276. You are talking from another point of view?—We have not the complaint against the Leigh doctors that has been made in other places.

4277. You have not?—No. We have had no complaints at all from the Bolton district with regard to Leigh.

4278. You now give the doctors a completely good bill of health in all respects. Do you find that the certificates are being filled up properly with the proper names of the diseases?—The complaints are very few.

4279. Do you find cases in which, for some reason or another, the doctor is unwilling to state the disease, but is willing to furnish the information to the society confidentially?—That is the understanding with the Lancashire Insurance Committee.

4280. You find that works?—Yes.

4281. Does he write straight to the approved society at the same time that he gives the certificate, or does he wait until he is applied to?—He waits until he is applied to.

4282. Do you find when a vague certificate is given, that the branch secretaries are taking the trouble to push the matter home?—No, we do not. We take the same view as the members of the Lancashire Insurance Committee, and that is that in more than 99 per cent. of the cases the nature of the illness is stated, and with regard to the others, we must give the doctors credit for only doing it in those cases where they think it absolutely necessary. Therefore, up to now we have never challenged their ruling on any particular case.

4283. You have not thought it necessary to write and say "What is this"?—No, I do not know a district in which it has been done.

4284. You have trusted entirely to their good faith. That is a handsome testimonial!—I think that they are doing very well now. We had our little trouble at the beginning, but we have got over that.

The witness withdrew.

SIXTH DAY.

Thursday, 30th October 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT:

SIR CLAUD SCHUSTER (*Chairman*).

MR. WALTER DAVIES.
DR. ADAM FULTON.
MISS M. H. FRANCES IVENS.
MISS MARY MACARTHUR.
MR. WILLIAM MOSSES.
DR. JAMES PEARSE.

DR. LAURISTON SHAW.
MR. A. C. THOMPSON.
MR. A. H. WARREN.
MR. A. W. WATSON.
MISS MONA WILSON.
MR. WALTER P. WRIGHT.

MR. ALEXANDER GRAY (*Secretary*).

Mr. FRED THOMAS further examined.

4285. (*Chairman*). I do not know whether I ought to have asked you directly yesterday, whether there are any figures which you would like to lay before us as to weekly benefits?—We have the six months' statement of benefits paid, and as it is rather interesting reading, I will give you a few extracts. The amount we paid to the men for sickness benefit and maternity benefit, for the six months ending July 1913, was 6,601*l.* The estimate of the Commissioners at 3*d.* per member per week is 7,805*l.*, so that we had a gain of about 1,200*l.* To the women we paid 24,610*l.*, and the 2*d.* per week per member in their case amounted to 14,166*l.*; so that we over-spent to the extent of 12,500*l.*

4286. Have you any observations to make as to the comparison between the two quarters, taking it for what it is worth?—We are greater in the second than in the first quarter. Perhaps that may be accounted for by the fact that we had practically three days' grace in the first quarter.

4287. There were many other causes too?—Yes. Perhaps people did not take advantage of it as much as they did in the second quarter. It went up slightly in the second quarter.

4288. Have you any such experience of the third quarter as would enable you, without giving figures, to give us an idea as to whether the same thing is going on?—Yes. When these figures were got out very early after the end of July, we found what our position was. We called a meeting of various district officials, and explained the whole position, and told them frankly that we could not go on at that rate, and something would have to be done to stop this payment. Certain conditions were drawn up by the central authority. When the central authority gives instructions it expects them to be carried out. Though all the districts may appear to have local autonomy, yet they are guided very much by general instructions from the central office. These instructions amounted to this, that all cases of pregnancy might not be allowed.

4289. You mean to say no case of pregnancy?—No case of pregnancy, pure and simple, was to be allowed until confinement. Any cases in which there were other causes than pregnancy, but in which there was also pregnancy, had to be inquired into most minutely by the sick visitor, and they must exercise very great discretion before any payment is made. Also we gave instructions that a thorough examination should be made as soon as possible by the lady visitors, and in all cases where they thought advantage was being taken of the Act, they must stop it. Also strict instructions were given that if any member receiving sickness benefit was found breaking the rules by doing house-work, or being out after hours, or in any other way which was a breach of the rules, they must also be stopped. This was carried out fairly well by the districts for a time.

4290. Was this in July?—Perhaps the beginning of August. Then they revolted.

4291. When did they revolt?—Within the last few weeks.

4292. What form did the revolt take?—They have put these instructions into operation, and they find from their experience that they disallow real genuine cases of sickness; and they do not think, whatever the Insurance Act may have intended, that it is fair to stop these people in the way in which we have given instructions for them to be stopped.

4293. What, therefore, are they doing?—They are still carrying out instructions.

4294. It was not an effective revolt?—The arrangement was fairly effective, but it did not relieve us to the extent of the Commissioners' estimate. Far from it. I may give some figures taken out recently as an illustration. In the first six months, the amount paid our women members was 7*s.* 6½*d.* a head, and the estimate of the Commissioners was 4*s.* 4*d.*, and I do not think we have got below 6*s.* 6*d.* per member. I am speaking now, approximately, from the cash which I have to advance to the districts. That is 50 per cent. more than the estimate of the Commissioners. We carried out the regulations very strictly, and it created a very bad feeling among both the officials and the members.

4295. Is this quite general over the whole area, or is there any particular part of your area, which is specially affected with regard to this heavy expenditure which you have found?—It varies in different districts. You may be surprised to know that in one district they manage to keep within the estimate.

4296. In which district is that?—In Todmorden, with 1,009 members, the average payment during the six months was 4*s.* 3*d.*, or a penny less than the estimate of the Commissioners.

4297. To what do you attribute that?—We attribute it largely to the fact that the local secretary had information, which most of us did not possess. He is an old friendly society man. He is a past Provincial Grandmaster of the Manchester Unity, and he acted straight away on the assumption that pregnancy should not be paid.

4298. Did he succeed in carrying that out from the start?—Yes, and he has also been very strict with regard to claims received from married women. He put into operation—so he has told me—the general instructions to officials in the past. I do not mean under the Insurance Act. Consequently we attribute what has been done there to that cause. Take another district, Barnoldswick, with only half the number of members, 531 members. There the average payment was 12*s.* 11½*d.* Take a big district like Burnley, with practically 10,000 members. There we have paid 8*s.* 8½*d.*, or 100 per cent. more than the estimate.

4299. Is there any particular cause, which is known to you, to account for the figure in Barnoldswick?—We are inclined to think that more latitude was given by

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the secretary, than ought to have been given to members.

4300. Leaving aside Todmorden and Barnoldswick, take big places like Blackburn and Burnley?—In Blackburn, with over 5,000 members, it is 8s. 1½d., which is nearly as much as the 8s. 8½d. in Burnley, with its 10,000 members.

4301. Those are both above the general average?—The general average is 7s. 6½d.

4302. These places are 1s. 2d. and 7d. above the general average. Is there any particular cause for that in these towns?—They are very big places.

4303. They are very big places from your point of view?—I do not know that there are any particular causes, except that in large towns the oversight of the members is perhaps not as keen as elsewhere.

4304. (Mr. Davies.) Can we have the figures for Preston?—In Preston, where we have 3,000 members, it is 9s. 9½d. We thought that it might be on account of the large number of married women in the district that Preston had overspent; but I notice that Preston has only 36½ per cent. married women, whereas Blackburn has 46 per cent., Burnley 41½ per cent., Todmorden 39 per cent., and Barnoldswick 49 per cent.

4305. (Chairman.) Is there any particular characteristic in certain towns, which would tend to make the percentage of married women higher in these places than it is in other towns?—Going through the reports of the sick visitors, I see that a large number of them attribute the sickness to steaming in weaving sheds, but I want to make that as a very guarded statement.

4306. Are all the weaving sheds equally humid?—No.

4307. What does it vary with?—In Blackburn, they are practically all humid sheds; in Burnley, about 80 out of 120; in Todmorden, practically all; and in Barnoldswick there are none, so that I can scarcely accept the sick visitors' statement, that steaming in weaving sheds is one of the causes of the high sickness rate.

4308. Does the humidity vary with the class of weaving that is being done?—They use it for all classes of weaving now. It was originally intended to cover very heavy sized goods, so as to soften the condiments of the yarn, and get it through. Nowadays they use it to get all kinds of yarn through, whether heavy or light sizes, and it is used in light printing goods.

4309. All weaving sheds are what we call damp?—They may be damp. We know them as dry sheds and wet sheds.

4310. Even your dry sheds are damp?—They try to get them as damp as possible on account of conditions of working. They cannot manufacture in a dry shed. They select for them a clay soil, sheltered from east winds, and they try to keep the shed warm and damp.

4311. That is the condition as to the sheds?—Yes.

4312. What you mean by the word dry is only a comparative term?—Yes, more than that, no artificial method is used for damping in a dry shed, but a humid shed is artificially humidified according to regulations, steam and vapour being blown in. In a dry shed they are not.

4313. Having regard to the distribution of what you call humid sheds among these various places, you think it is not possible to attribute the heavy incidence of sickness solely to humidity?—No. I could not do that, notwithstanding the fact that our sick visitors say that in a large number of cases people complain about the conditions under which they work, and they attribute the large payments more to the wet than to the dry sheds.

4314. Have you worked in a weaving shed yourself?—Yes. I was 12 years a weaver, and I was a member of the Departmental Committee under Sir Hamilton Freer-Smith which was sitting for three years on this matter. Consequently, one has to be very careful before coming to a conclusion on these statements.

4315. You gave these instructions in July, but to test how they were carried out, let us come back to the question of sick visiting, with which you were dealing yesterday. You gave me a list of the number of sick

visitors that there were in each of the areas?—Yes. I gave you the figures yesterday, as well as the number of members in what I called the group. I said there were somewhere between 20,000 and 25,000. This morning I have got out the actual figure. It is 17,500.

4316. These are the scattered places from Skipton to Macclesfield, outside the big centres?—Yes. They are covered from the central office by sick visitors.

4317. You send to these places your two sick visitors from the central office?—Yes. I said that the balance of the members, about 48,000, are covered by the sick visitors in their own districts.

4318. When were sick visitors first appointed?—They began to be appointed about a month before July 13th this year. By that time I think that we had all the visitors appointed.

4319. So during the first six months, there was no sick visiting at all?—That is so, except in one or two districts. They had just started a week or two.

4320. Up to that time, for the first six months, there was no system of sick visiting?—We had sick visiting by secretaries going round themselves, but being men, they were warned, perhaps not officially, that any evidence by any man with regard to women committing a breach of the rules perhaps would not be accepted as evidence by the Commissioners, yet to some extent they were effective. For instance, one of the secretaries got up at 5 o'clock in the morning, and caught one woman washing. He had information about it, of course. That woman was struck off. The question arose then whether the evidence of a man would be accepted in the case of a woman, as a woman must visit a woman. From that stage on we appointed women visitors.

4321. By what time were they all appointed?—By the 13th of July all was in working order.

4322. They are paid people?—Yes, without exception.

4323. Though some of them do not give their whole time?—No, quite a number of them.

4324. What do they do in their off-time when they are not sick-visiting?—Some of them are married women, and have to attend to household duties. Others have for loose ends some kind of canvassing. I could not tell exactly what for the moment. Some are employed at other occupations, and some are employed at home in house work.

4325. Are they people of just the same class as the weavers whom they visit?—Yes, always without exception.

4326. Are any of them trained nurses?—Yes, quite a number of them, not to the extent of having been trained in a hospital, but they have taken a St. John's ambulance certificate, or something of that sort.

4327. They are not people who have practised as nurses?—No, except one. There may be one in Hyde.

4328. Do you send your sick visitors to do any nursing at the same time as they visit, or do they confine themselves to sick visiting?—To sick visiting and giving advice.

4329. They do give advice?—Yes.

4330. What do they do when they get there? Do they just look in to see if they can catch a woman washing?—At the present time their main function is to see whether these people are working or not. The second point is that they are expected to get into general conversation with these people, and ascertain what is really the matter with them, and if they can give them any assistance or advice as to how to conduct themselves, outside what the doctors have told them, they are expected to do it.

4331. You do not adopt a system whereby everybody in benefit is visited once a week?—No. We cannot do that just at present.

4332. At present it is just a sort of casual visit to let them know that there are people watching them?—Yes.

4333. What is the percentage of people in benefit who actually get visited?—Everybody would be visited, but not once a week.

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4334. If a member is only ill one week, he may not be visited?—When one of our group visitors goes into a district, she visits all the persons who are sick.

4335. If one of these group visitors is in Macclesfield to-day, would she be in Padiham to-morrow and in Skipton the next day?—She visits the districts in proportion to the members. She goes to Great Harwood twice a week. There is a great number of members there. She only goes to Macclesfield once a month.

4336. Everybody on and off in Macclesfield between her visits would escape her visit altogether?—Quite true.

4337. So you do not find it possible at present to visit everybody?—She cannot visit everybody, but she visits all on the books at the time she goes there.

4338. As a result of these people going, or apart from their going before July, how many people, having once got on to benefit, have you struck off for various offences or neglect of rules?—I have no figures on that. I have not the slightest idea. We do not get to know in the central office except in cases where they are suspended. They report all cases of suspension for confirmation.

4339. Does suspension mean taking off benefit people who have been put on?—When a sick visitor goes to a house, and finds a woman doing something, or perhaps capable of work, she gets her to sign off then, and there is an end of it.

4340. Does she say: "Do not make a fuss; just sign your form and declare off," and there is an end of it?—That does not come to the head office, but if she advises her to sign off, and she will not, then it comes in, and we take the case into consideration.

4341. How does it come to the head office? Would it be brought by the sick visitor straight into the head office?—No. If they see in a district any case of a person who, they think, should sign off, and who will not sign off, they report the case to the local secretary and ask him to see it attended to, and next time she goes there, she would ask for a report from the district secretary as to whether this person was struck off.

4342. Meantime does the district secretary or the sick visitor report to you?—Both of them. It all depends. In the ordinary course, if the local secretary has not struck this person off, he is advised to do so from the head office, and it must be carried out.

4343. Does the local secretary deal with the case on his own responsibility?—Much depends on the circumstances. If it was a very glaring case, he would suspend payments for the time being until the committee meets. If it is not a glaring case, he can often, by a talk, get the member to sign off, but he would never strike him off on his own responsibility.

4344. He sometimes suspends until the committee meets?—Yes.

4345. How often does the committee meet?—In Burnley once a week.

4346. How often in Todmorden?—Very few societies meet less often than once a fortnight for trade union work, and a case of this kind comes on at the far end of the meeting. They will not call a special meeting to discuss this matter.

4347. Who elects the committee?—The trade union members.

4348. All the trade union members?—Each society has its own rules. In Burnley every member votes for the committee.

4349. The secretary reports to the local committee when it next meets any cases of this sort which have arisen, which are to be taken into consideration?—Yes.

4350. Suppose they decide to strike off, what happens?—The case is reported, and the payment suspended for such a period as the executive think she is likely to be off. It may be a month, or two, or three months.

4351. Has the member any chance of being heard before that is done?—No. In Burnley, I think, the invariable practice is to send for the member to appear before the committee, because they meet weekly, and to hear the member's statement, and then decide on the facts of the case.

4352. In either case, they send notice to strike the member off?—Yes.

4353. Can the member appeal?—Yes; she can appeal to the central committee of management, according to Rule 28. She invariably writes to me at Accrington.

4354. How many appeals have you had?—Perhaps a dozen.

4355. They have come to the central committee?—No. Talking the matter over with Mr. Cross, our general secretary, I thought that it would be very unfair to ask these people to come the distance to the central committee meetings. We have adopted a system under which I go down to the district, and send for the member and any witnesses she likes to bring, together with representatives from the local committee, hear what both sides have to say, and then report to the central committee of management. Then they decide on what shall be done, and either confirm or reverse the decision of the local committee.

4356. You have had 12 of those cases?—About 12.

4357. What has been the result of those 12 cases?—In all except two they confirmed the decision of the local committee. In one case they went beyond the decision of the local committee, and suspended the member for one month longer. The local committee had said two months, and the offence was so serious that my committee suspended for three months. In the other case they thought that the local committee acted a little bit indiscreetly. They acted on assumption instead of evidence, and they asked them to reconsider the whole case, with the result that the woman got full benefit.

4358. What class of cases were these? Were they claims for pregnancy or what?—We have had no appeals to the central committee with regard to any cases we have struck off for pregnancy. We have had appeals to the Commissioners.

4359. Not strictly appeals, but complaints, to the Commissioners?—Yes, the rest, of course, being mainly of this character, being out after hours, or being caught working or washing, and in one case the member was standing in the public market attending to a stall, which we did not think conducive to getting better.

4360. What was the matter with him?—Influenza.

4361. These 12 include both men and women?—Yes.

4362. Any person dissatisfied with the finding of the central committee could have appealed to arbitration?—Yes.

4363. They have not done that?—Not up to now. I think there is one in view, but it has not matured yet.

4364. Up to that point they had been at no cost?—At no cost.

4365. You are sure that they are always able to present their own case sufficiently well?—I help them. I explain very minutely the system we adopt. I help them to get their evidence, if they seem to be nervous, because I think that it will benefit us to judge the case properly.

4366. When it comes to an appeal to arbitration, they have got to deposit a certain sum of money?—Yes.

4367. They are also liable, if the arbitrator finds against them, to have to pay the costs of both sides?—Yes, that is according to rule 28.

4368. They could appeal if they thought fit from the arbitrator to the Commission?—Yes.

4369. So could you?—Yes.

4370. From the start of your sick visitors' inquiries right up to the end, what steps are taken to deal with the doctor in any way? Does anybody ask the doctor what he thinks about it?—We never consult the doctor in any single case as to the reason why he certifies a person as incapable of work, when we find him working.

4371. You mean to say that you are dealing with him for breach of the rule. You do not care whether he is capable of work or not; your point is that he has broken the rule?—Yes. That has all occurred since that August meeting. All the appeals have occurred since then.

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4372. There is no question here of any doubt as to the doctor's certificate?—We have had no reason to doubt the doctor's certificate in any of these cases.

4373. A man may have had influenza, and may yet have gone and stood in the market place?—Yes.

4374. You are not dealing with any case where you think that he ought not to have a certificate?—That is so.

4375. You have power to fine, as well as suspend for breach of rule?—Yes, we have both fined and suspended.

4376. You do not fine and suspend the same person?—Yes. If we thought the offence was so serious, we would fine the amount of benefit due at the time, and then suspend him for a further period. Of course we have never gone beyond the 10s.

4377. Do you ever fine without suspending?—I do not think so. Perhaps it is done in cases where the person signs off, and they had no chance of suspending him, and can get back no benefit which is due to him.

4378. Consider another class of case. Take the case where you doubt in the first place as to whether a member ought to be placed on the funds. There the sick visitor cannot help you. She only goes about, when the woman has come on the funds?—That is so.

4379. What happens in a case when, on getting the certificate, you doubt as to whether she ought to come on the funds at all?—I have had no case of that character brought to my notice, only the pregnancy cases.

4380. Take a case where she has come on the funds, and there is a genuine doubt as to whether she ought to stop on the fund or not; have you any case of that kind?—Only from the sick visitors' reports.

4381. Have you not had any cases in which it was necessary to get a second medical opinion?—Not up to now. There was one case only, and it was a very curious case. The doctor certified it as chronic syphilis, and the man would not allow us to call in a second doctor. Consequently the case dropped.

4382. You doubted that it was what he said it was?—We took the doctor's certificate as quite correct, but the man himself said that it was not correct, that it was not chronic, and so he made the case worse. We said that we were quite prepared to go to a second doctor, but the matter dropped.

4383. So you have not, in any case, employed a second doctor?—Not up to now.

4384. You have no experience of medical referees in any of their various shapes and forms?—I have none.

4385. Would it be of assistance to have access to a medical referee?—We are getting to the ground we were treading yesterday, as to whether we felt that a general system of malingering was going on.

4386. I am not making that suggestion. I have taken what you have said about general malingering, and I have put that out of my head. I am dealing with another part of the matter. In order to enable your society to consider whether there is or is not malingering, would it be of assistance to you to have easy access to a second medical opinion, not for the purpose of curing the people, so much as for the purpose of testing?—As to the question of a second doctor's opinion we have thought seriously about the matter, but we have done nothing, because we have taken the views of our local officials, and we do not think that there are so many cases as to require the services of a second doctor. There may be occasions when we think that a second doctor would be helpful, but they are so few and far between, that we never thought it desirable to call in a second doctor.

4387. You mean having regard to the fact that you would have to bear the full cost of it?—Yes.

4388. Suppose there was a medical referee appointed by somebody else, to whom you could have access?—I should think we would take advantage of that.

4389. Would you object to pay something towards his expenses?—I could not say that.

4390. I do not wish to commit you to anything?—From the general tone of the committee on the matter there are very divided opinions on the subject of a medical referee, and perhaps it would not be fair for

me to make any definite statement on their part. Many of them think that a medical referee would be a very good thing. Others do not think so.

4391. Do you get a number of certificates with such things as anæmia and debility?—We strike them off.

4392. You do not bother about them at all?—Not since August. We are bound to take some class of case, and strike them off. It may be cruel, but we have to do it.

4393. That action of yours has caused a certain amount of what you call revolt?—Yes.

4394. I was wondering whether you could deal with these cases of debility and so forth, if you had any doubt about them, by calling in a second opinion?—That is one way out of the difficulty. I would not like to express a further opinion, because I am not authorised to do so by the committee as a body.

4395. Do you find that when holiday times come, claims on the fund increase?—It is rather strange, but in the first week after holidays, in almost all our districts, the amount paid went down.

4396. What about the week immediately before holidays?—This year we did find that during the week preceding the holidays we had a very large number of claims, and a lot of these had the usual statement or something from the doctor to say that they would be far better off, if they went away to the seaside or somewhere for a holiday. Our committee had to take a very determined stand on this, and we passed a general resolution that no payment should be made to any member who was away from the district during holiday week, no matter what the cause of complaint was. Of course we had another revolt on that, but that was one way of getting the claims down, and we had to get them down somehow. I think that we had 100 cases in which payment was suspended in that way.

4397. A hundred in Burnley?—No, in the whole of the amalgamation.

4398. Is the week the same for the whole of Lancashire?—No. They vary for almost every town.

4399. Do you find that you could trace that week round about?—Yes. Burnley commenced on July 5th, and then other districts, and in these weeks claims came in along with strong recommendations from the doctor that these people would be better off away from home.

4400. You did not allow these claims?—They were brought before the committee of management, and they thought a nice way of getting rid of some of these claims was to strike them off.

4401. Is there anything you wish to add?—Only with regard to the amount of sickness in married women, outside pregnancy cases. We have never dealt with that specifically, and what I have got to say is this. From the evidence of the sick visitors, which perhaps is more reliable for the moment than any figures from the districts, I find that about 75 per cent. of the claims of the women appertain to married women, though only 37 per cent. are married women.

4402. That is, of course, counting in the pregnancy claims with the rest?—Yes, including the pregnancy cases.

4403. Are you prepared to make any statement as to what you attribute that to?—From the various reports the only conclusion I can come to is that there is a great amount of sickness among married women, that does not appertain to single women.

4404. That is not genuine sickness?—I would not go so far as to say that. I will not say it is malingering—far from it; but a married woman is in a better position to stay off a little bit longer than perhaps a single woman.

4405. By better position you mean that she has got more temptation?—That is a better way of putting it.

4406. She has got more inducement?—Yes. She may have a small family, and also the household work to do, and it has been the custom among these married women in past years, when they get off for sickness, invariably to stay off a little bit longer to clean down after they have recovered, and they think they ought to do it again. Our difficulty is to get them back again.

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4407. Could you give us any figures showing what the average duration of sickness is, and compare it with the average duration in the case of married women?—I am afraid that that is a rather big question. We have no opportunity of getting the figures. The registers are not kept in the central office. I might make this statement, which may astonish you, but it is a fact. For many years I was secretary of a very large trade union. During that time hundreds of cases passed through my hands in reference to claims for compensation under the Workmen's Compensation Act, and in not a single instance, nor in the whole of the 15 years during which I was secretary for this society, has there been a single complaint from any employer with regard to malingering.

4408. What trade union was that?—The Burnley Weavers' Association. I am leaving out of the question all malingering. Perhaps there is more inducement under the Compensation Act to malingering than under the Insurance Act, and I thought that that was, perhaps, a statement that ought to be made here to show the general tendency among the operatives of Lancashire.

4409. I think that the general effect of your evidence is that, from your long knowledge of the cotton operative, if he is found making more claims for sickness than other people, you are sure that some cause must be looked for, other than slackness on his part, and certainly other than dishonesty?—Yes.

4410. You know the operative very well?—Yes.

4411. He or she is essentially an honest person?—Yes.

4412. It would take a whole lot of evidence to make you believe, when you find them making claims, that they are not justifiable claims?—Yes. The Lancashire operatives are fairly honest, take them all round. We have some malingers, undoubtedly. Speaking generally, Lancashire operatives are as good a class of operatives as are going, and I think I have given you one fact which proves it with regard to malingering. In the past, undoubtedly, there has been a large amount of sickness, but the people have not stayed off their work as long as they are staying off now. There is a big inducement to a Lancashire operative to get back to work in more ways than one. There is the inducement of the wages, which are fairly good, taken all round, and then the inducement of trying not to create a bad impression with the management. In scores of cases, under the Workmen's Compensation Act, I have had to advise operatives not to go back to work. They had said, "I am thinking of going back on Monday." I have advised them in scores of cases to stay off another week, as they would benefit in the long run, but now the married women will have this week without being told. Generally speaking, the doctors are encouraging them in that.

4413. (Mr. Mosses.) Broadly speaking, you have no complaint to make with regard to the claims of your men members?—Generally speaking. We have, of course, odd cases.

4414. Generally, your complaint is against the women members, and particularly against the married women?—Yes; their claims are excessive.

4415. Do the women perform the same operation in the weaving sheds as the men?—Except in one or two cases, as weavers they do exactly the same work.

4416. I believe that they are paid the same wages?—Exactly the same wages.

4417. Can you give us any idea of the average proportion of the earnings, as between the two sexes?—They are practically alike. The rate of payment is exactly the same, but we have more of what are known as six-loom weavers among men than among women. That is the only difference. We have a large number of six-loom weavers. They employ a small boy or girl, called a tenter, and pay them 7s. 3d. So you have the 7s. 3d. and the two looms extra. The two looms may produce up to 14s., so the balance of 6s. or 7s. a week is in favour of the six-loom weaver over the four-loom weaver. We have more men than women doing that. That is the only difference between the two.

4418. What would be the difference between the wages of a man weaver and a woman weaver?—None whatever, except the number of looms.

4419. I mean what would they take away at the week end?—Speaking approximately, the general average would be 3s. a week more.

4420. That is the only difference?—That is all.

4421. It seems to me that these women must work very hard in order to come so near a man's wage as 3s. a week?—Sometimes they earn more. They are more adept, more alert, perhaps there is more quickness and subtlety in their fingers, than in those of men, and many women earn more than men. I am speaking about the same number of looms.

4422. Then they must work very hard. Woman is the weaker vessel?—She does not think so.

4423. You think so?—I am only a man. We have learned during the last two or three years that woman is not the weaker vessel.

4424. Assuming that these women have to work as hard as men, and are physically not so strong as men, they would be more liable to sickness than the men?—There is a difference between the married women and the single women. The married woman, working so hard, and having the responsibility of home and family, gets exhausted sooner than the single woman.

4425. That is so; and women, generally speaking, will get exhausted sooner than men?—I should think so.

4426. And will be more liable to sickness?—Yes.

4427. And any excessive sickness is in part due to that circumstance, that they have to work hard, and that they are not so fit to work hard as a man?—Yes.

4428. Have you found any difference in the sickness benefit paid since you appointed the sick visitors?—We started appointing the sick visitors about the beginning of June, and finished by July 13th, and the payment has come down from about 7s. 6d. a member to 6s. 6d. a member.

4429. That is a very appreciable difference?—Yes; yet it does not come down to the estimate.

4430. You say that pregnant women, who brought certificates stating that they were pregnant, had no difficulty in getting those certificates changed?—We have not found any cases yet where they have had any difficulty.

4431. Do you acknowledge these changed certificates?—No.

4432. It really does not matter to the woman. She does not get her benefit?—Unless it is a very serious case; but as she has come with a certificate for pregnancy, we are doubtful straight off, and I do not know at the present moment of a single case that is being paid on account of the changed certificate.

4433. Then a woman, coming with a certificate in which pregnancy was the cause of illness and getting it changed into anaemia or debility, would be debarred?—Yes.

4434. And it will not make any difference to you as regards excessive sickness claims, because she does not get her benefit?—She does not get her benefit now.

4435. You say it is easy to get certificates from the doctors?—Very easy.

4436. Have you had a single case brought to your notice in which a doctor refused a certificate?—No.

4437. Are your members changing their doctors very much?—No; I have had very few inquiries about change of doctors in proportion to the large number of members. I do not think that there has been any appreciable change, though there does seem to be a desire to change when the year ends, so as to make the change automatically without having to get the consent.

4438. So there is no object in having a change of doctor, as the doctors are very complaisant?—There is no difficulty with regard to giving a certificate. The chief difficulty seems to be that the doctors—I do not agree with them—set apart certain hours for seeing insured persons. We were led to believe at the beginning that insured persons would receive exactly the same medical attendance as any other person.

4439. The central committee is the final court of appeal, so far as your organisation is concerned?—Yes.

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4440. Is there any woman on the central committee?

—No.

4441. Is there any rule prohibiting them coming on?—No.

4442. Do you encourage them to come on?—We are quite indifferent; we have so few in the council. The council elects the executive committee.

4443. They have shown no disposition to come on?—No.

4444. (Mr. Thompson.) You do not consider the sickness to be excessive, on its merits, as sickness. Your objection is mostly because it is beyond the anticipated expenditure?—Yes.

4445. Would it be fair to say that you feel compelled to disregard to some extent the welfare of the members, in order to keep within the anticipated expenditure?—That is a point that persons may differ upon. To a very large extent at present, I agree with the doctors in advising these people to stay off, because I think that in the long run we shall get the ultimate benefit, but from the society's point of view it is disastrous to us.

4446. You have to make some effort to keep within some scale of benefit?—Yes, we are bound to do that.

4447. Have you by any pamphlet drawn the attention of the members, who are claiming sickness benefit, to the conditions under which the society considers it is proper to pay?—No, only in the sense of issuing instructions how to conduct themselves during the time when they are receiving sickness benefit.

4448. What form do those instructions take?—Extracts from the rules only.

4449. There seems to be a considerable difference, as a result of the methods of the different officers who are in charge of the various branches. It would seem, perhaps, that if they were all officered by men of the stamp of your Todmorden officer, you would not have any excessive sickness expenditure at all?—It almost looks like it.

4450. (Mr. Warren.) You mentioned that you fine members for breaches of rule. Do I understand you to mean by that, that you regard the stoppage of benefit due as a fine? For instance, if you suspend a person in the middle of the week, and he is entitled to 3s. 4d or 5s. benefit for the week, would you regard that as a fine, or do you impose a specific fine beyond that?—If the member is willing to pay the fine we will pay him his benefit, but if he will not, then, of course, he does not receive his benefit. Suppose a person is cut off on Saturday, and he has three days to draw, 5s., and the committee fine him 5s. and suspend him, say, for a month, it is left for the local district then either to get the 5s. fine, or not to pay the benefit. We get the 5s. just the same, whichever way it goes. I think that is what you are wanting to get. We do not pay the benefit, and then ask him to pay the fine, and take the risk of getting the fine.

4451. I was under the impression that you might be punishing the insured person twice, first by stopping benefit, and then by imposing a fine?—We do not fine more than the benefit. If the benefit is over 10s. we pay the difference. Suppose there was a week and two days, and he had not been paid for that week and one-third, if we fine him 10s. we would pay him for the third of the week.

4452. And invariably the insured person agrees to this?—We have had no objections.

4453. Do you think, from your experience, that there is very much misunderstanding on the part of women as to the real meaning of insurance?—You cannot expect anything else than misunderstanding, in this sense; they are certainly under the impression that this money is coming from a common fund provided by the Government, and they think that they might as well have a share of it as anybody else. They do not realise at present that the more money they get now, the less benefits they will have in future. They will in the course of time. You cannot expect 14 million people to understand everything about the Insurance Act straight off. They are gradually coming round to a proper view of the thing.

4454. They do not realise that they stand or fall by their own approved society?—They do not realise that.

4455. Are you taking steps to bring that prominently before them?—Yes. The steps are taken by the sick visitor when talking to them, and also the local report invariably refer to this. These are the quarterly reports given by the district secretaries.

4456. It is pointed out that the day may come when there will have to be either an increase of contribution or a decrease of benefit?—Exactly.

4457. I take it that your experience of the men whom you have in your approved society is, taken all round, satisfactory?—Yes. We have had more serious complaints against men than against women, one or two cases of drunkenness that are not brought against the women. We have also had a number of cases where we have had to suspend benefit on account of wilful misconduct, such as a man getting drunk and falling, and spraining his wrist. In those cases we decide that they are not entitled to benefit.

4458. Are the majority of men in your approved society also members of other friendly societies?—I am not in a position to say what the strength of the friendly societies in Lancashire is. I know that there is a very good sprinkling among the Burnley weavers.

4459. You are not troubled with the effect of over-insurance?—I have had one or two instances given, but they have been very exceptional.

4460. You do not think that that prevails in respect of the men?—I do not think so.

4461. Mr. Mosses got the average earnings of men and women?—He got the difference.

4462. It is not a very appreciable difference?—That is in the aggregate, of course.

4463. So the figures would not lead you to the assumption that it would pay a married woman, for instance, as well to stay away and receive 7s. 6d. a week benefit, as to go to work?—No; financially it does not. Far from it.

4464. Not if you were to take into account the fact that generally throughout Lancashire the married women have to pay out of their earnings for the care of the children, and for matters incidental to the home, in the way of cleaning and other things?—I quite understand your question. We find this operating mainly with our winders and reellers. This is not weaving. It is an occupation preparatory to weaving, and the earnings are very low, comparatively speaking.

4465. How much?—They vary very largely. Speaking generally, a winder earns anything from 12s. up to 1l.

4466. Would you take the average at 16s.?—It would be more than that in some of the districts.

4467. (Chairman.) How many winders are there in your society?—About 7½ per cent., speaking of the trade union side.

4468. (Mr. Warren.) Take the earnings at 16s. on the average. I suppose that a married woman would have to pay some 4s. or 5s. a week in respect of her home and children while at work in the mill?—Yes; if she has two children, taking an average, you can certainly say that it costs her, if she is at work, no less than 6s. a week for washing, baking and attention to the children, and perhaps help in the house.

4469. If she were at home receiving sickness benefit, she could perform all those duties for herself?—Yes, if not sick.

4470. That would mean 13s. or 14s. a week?—Yes.

4471. Does not that approximate so closely to her wage income, as to offer an inducement to her to try to remain on the fund?—That is the unanimous opinion of our sick visitors with regard to winders and reellers.

4472. And I take it that the reason why you get a particular advantage in the district of Todmorden is that you have an experienced friendly society man acting as an official there?—Yes. We were raw to the whole business in the beginning, and he was the best informed man with regard to friendly society business that we have.

4473. In reference to the doctors, has it come to the knowledge of your society that the relatives and

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friends of insured persons can obtain continuing certificates on behalf of the insured person by attending at the doctor's surgery?—Without the doctor seeing the patient?

4474. Yes?—We have had some cases of that character, but we have reported them.

4475. But not any number to your knowledge?—Not brought to my knowledge. I have had a few, and I have called the attention of the clerk to the insurance committee to the fact.

4476. Have you any experience of the insured person objecting to having to go from the doctor to the chemist to obtain medicine?—At the beginning the complaints as to that were very general. It was something new to them. They had been accustomed to get the medicine in the surgery, and consequently they did not like to go to the chemist, but I suppose they are gradually getting over that difficulty.

4477. Have you had to complain of any number of certificates being post-dated?—Not a very large number, perhaps about half a dozen altogether, and mainly from one district.

4478. Do you think that there is any unwillingness on the part of your members to return to work when they are fit to do so?—I can answer that by saying yes and no. We have had them both ways. There seems to be unwillingness among the married women in getting back to work, but I do not think that that applies to single women or to men.

4479. (Mr. Wright.) Before the National Insurance Act came into existence, you had great experience of the weavers as a trade union official?—Yes.

4480. You are unable to say even approximately how many of the men are members of friendly societies?—I cannot give you any idea.

4481. But would the fact that some 24,000 weavers made your society their approved society under the Act suggest that probably they represent those who were not previously members of friendly societies, and that the other members of your trade union, who made some other organisation their approved society, were members?—Scarcely that. Take Blackburn, for instance. The Blackburn trade union membership is 20,000. They have only a membership short of 8,000 in the approved section, that is less than 50 per cent. The bulk of the remainder are at present members of the Blackburn Philanthropic for approved purposes.

4482. But I may assume that most of the 24,000 members in your society were not previously insured in a friendly society?—Not all of them, but there is a large number who were, and have taken our society for the insurance section.

4483. In your opinion, had the majority of these 24,000 men any previous friendly society experience or training?—I would not like to venture an opinion.

4484. Were the women in any friendly society to any extent?—I do not know whether the women could have been in friendly societies. I am very ignorant of friendly societies.

4485. Were these members of your trade union provided with medical treatment previous to the operation of the Act?—No.

4486. If they wanted medical treatment, they had to pay a doctor's fee in the ordinary way?—Yes.

4487. There was no sort of club or medical institute to which they belonged?—No.

4488. Therefore you have had no experience whatever of the administration of medical benefit previously?—Not the slightest.

4489. Do you utterly disregard the doctor's certificate in the case of these members who produce a certificate just before the wakes week, stating that a change of air would do them good?—Yes, as a general principle.

4490. Why?—Because the claims were so numerous and we thought that this was going to be an annual affair, and we were going to have practically everybody getting a certificate for the holiday week, and we were going to be landed with one week's pay practically for all the members.

4491. But the fact remains that all these insured persons brought you certificates, signed by the doctor, stating that they were suffering from some complaint,

and were incapable of work, and that a change of air would do them good?—Yes.

4492. It did not matter whether it was holiday week or not, if the insured persons were sick and unable to work, they were entitled to benefit?—They were.

4493. Then I may take it that you disbelieve the doctors?—I would not like to say so. We take it this way, that we have such a very large number of applications or suggestions from doctors that a change of air was beneficial during holiday week, when it has not been beneficial before, that that was the strangest part of the business to us, and consequently without any disrespect to the doctors we simply passed a resolution: "no pay."

4494. Do you say that you doubt the doctors?—We say that the doctors have been very generous in giving the certificates. I do not want to say anything harsh about the doctors.

4495. You realise that it is an important matter for others, where you appear to be disregarding the doctor's certificate?—I do not quite follow you on that. The doctor's certificate did not say that a change of air would be beneficial. They never put that on the certificate. They simply tell the insured person, and if pressed by the member, they would sometimes write a note to that effect, but would not put it on the medical certificate.

4496. But the certificate would state that they were incapable of work?—Yes.

4497. And suffering from some specific complaint?—Yes.

4498. Specifying the complaint?—Yes.

4499. Why do you not pay on that certificate?—Simply on the ground I have told you—first, because it was so general, and second, because we want to find somebody to strike off to reduce our payments. I might as well be frank. There were the claims coming in so numerous, and we thought it an excellent way of getting rid of them.

4500. Either the doctor told an untruth when he was giving the certificate, or he was giving a certificate which he was justified in giving; which in your view was the case?—We say that the member must stay at home during the holiday week. It is more beneficial to stay at home during the holiday week.

4501. It was only hearsay evidence from the insured person that the doctor advised a change of air; it was not on the certificate?—Yes. They never put on the certificate that a change of air would be beneficial. The patient told us, and in some cases the patient went to the extent of getting the doctor to write a note that a change of air would be beneficial.

4502. What was on the certificate was that the insured person was suffering from a specific complaint?—Yes.

4503. And incapable of work?—Quite true.

4504. In your opinion were the doctors justified in giving those certificates in respect of the persons whom you refused to pay?—Yes. We did not disregard the certificate, but what we acted upon was our rules, that a person must not leave the town in which he resides without the permission of the committee. That was the rule worked on, and consequently all who went away without getting permission were struck off.

4505. Were the certificates given on the Friday or Saturday before the wakes commenced?—Yes.

4506. Suppose you received a certificate on Monday, a week before the wakes commenced?—If they went away during holiday week, we did not pay.

4507. If they did not go away?—We paid.

4508. You paid in respect of certificates up to the Saturday before the wakes commenced?—We paid up to when they went away. If they went away on Saturday, pay stopped on Saturday. If they went away on the following Wednesday, pay stopped on the Wednesday.

4509. With regard to pregnancy, the managers of works generally intimate to the woman that, for decency's sake, she should stay away from her work?—Yes.

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4510. Does that obtain to a greater degree now, than it did before the Insurance Act came into operation?—I do not think so.

4511. So the Act made no difference in that respect?—I do not think that it did.

4512. Have you any special married women contributors?—They are now coming in. Perhaps we have a dozen or fifteen.

4513. Do you know any case of a member going to the doctor for treatment, and not getting a certificate?—None have been reported to me.

4514. Have you any means of knowing that?—No. I have not the slightest idea. They would not report to us, if they did not get a certificate.

4515. Do you think it would help matters if the doctors were under the control of the approved societies, instead of being under the control of the insurance committee?—That is a question which I would not like to answer straight off without very serious consideration. It is because I have never had any experience of friendly society work, that I would not like to venture an opinion straight off.

4516. Are you of opinion from your experience that, generally speaking, insured persons obtain from the panel doctor the same sort of treatment that they would receive if they were private patients?—We have no complaints to make in the bulk of cases. We have individual complaints, and there is a general complaint on the line I have indicated, that they ask insured persons to come at specified hours, instead of allowing the insured person to go at ordinary consulting hours. We have had cases of a person going at 10 o'clock in the morning to see a doctor, and being told that he must go at 6 o'clock in the evening. We do not think that that is fair treatment. We called the attention of various insurance committees to this to see if we can get it altered. In the course of time we may get it altered.

4517. Are you of opinion that the administration of the National Insurance Act would be more satisfactory, if a State medical service were established?—You get there again on the principle of the society employing the doctor, and I would not like to say exactly from my little experience, whether it would be beneficial or otherwise. Speaking for the society now, there is a feeling among the bulk of our officials that medical referees appointed by the State would be far better than a medical referee, or a second medical man appointed by the society.

4518. You understand that I am asking about a State medical service?—Yes. Speaking about the State control of doctors, I would not like to express an opinion, beyond what I have stated, as to whether it comes under the same category.

4519. (Mr. Davies.) Has your committee appointed any special committee in any way to try to find out, absolutely, the cause of any excessive sickness?—No special committee.

4520. Though you have had this exceptional experience, you simply treat it in the ordinary way, by letting it come before the committees in various ways?—Yes.

4521. Have you had any demand from any of your centres to deal with it specially, as affecting any of those particular areas? For instance, I asked you about a district, and you gave the reply that the cost was 9s. 9½d. per member per annum. Has that area seen the responsibility of its position in any way, and asked you to deal with this matter particularly, and to set up a special inquiry?—Not to set up a special inquiry. You are referring to Preston. I understand that a number of societies, not all societies, in Preston have had a conference, and decided that they would only pay in certain cases, and the only complaint we have had is that they were falling into line with the suggestions of that conference.

4522. Rule 4, clause 3, of your rules provides that no person suffering from chronic disease or disablement shall be entitled to become an insured member of the society, unless such member was a financial member of one of the constituent organisations prior to the 1st of January 1912. I think that that gives the society the right to include every worker who is a

financial member. Whether they were absolutely consumptive, or whether for any other reason they were not suitable persons for insurance, you accepted them?—We did.

4523. Without having regard to any risk?—Without the slightest regard to anything.

4524. Since then you have had this heavy experience, but you have not set to work to institute inquiries to ascertain the cause?—We do not see any useful purpose to be served by doing so; in this sense we have accepted them as members, and whatever the result of that inquiry might be, we should have no right to take them out of the society. There would be exactly the opposite feeling among the members of our committees, that these are the class of people that we ought to look after, and cure if we could, and notwithstanding the fact that this society may appear to have a great disadvantage in the valuation, yet the sole object of the Insurance Act was to help the people who were entitled to it, and we are going to help them.

4525. I do not wish you to assume by reason of my asking questions of this character that I am not just as much in sympathy with these people as you are yourself, but we are inquiring into the cause of excessive sickness, as to whether benefits should be payable or not. You have given us a heavy experience, and we want, if possible, to find out the cause of it, and it may be that you have included in your list lives that were otherwise, perhaps, intended—I use the word perhaps advisedly—to be included in another category altogether, and that it is that fact which gives you this experience. But if you have not inquired, you cannot give us the information?—You are quite correct in your assumption. We took everybody who was a financial member of the society, notwithstanding the fact that he may be suffering from a chronic disease.

4526. Yesterday you made our friends, the doctors, smile by giving them a clean bill of health. In the outline of evidence which you submitted you say: "There are grounds for believing that in many cases 'payment is claimed for trivial complaints, which 'would otherwise be ignored, except for the possibility 'of receiving financial aid.' To obtain that financial aid you say: 'Many certificates are given with the 'cause of illness marked 'bad cold,' 'headache,' &c.'" That financial aid is coming out of these funds which are being depleted. Do you place the blame of obtaining this financial aid, which otherwise would not be granted, upon the doctors, or upon whom?—Perhaps I may put it this way. The novelty of the thing at the time induced a large number of people to consult the doctor on things on which they would not have consulted him previously. They did not consult him on headaches, bad colds, and so on. Now they say: "I will go and see my doctor," and the doctor certifies headache, bad cold, or whatever it may be, and as the certificate stated that he was incapable of work, we took it that we were bound to pay, and we did pay.

4527. You did not take it that the society had to be satisfied that the person was sick, before they were compelled to pay under the Act?—Being raw to the whole business, we assumed that the doctor would not give a certificate "incapable of work" where the person could work.

4528. And knowing this, you now give the doctors a clean bill of health, though they granted these certificates, that they should not have granted under previous conditions?—I would not say so. What I want to convey is this: An insured person goes to see a doctor. The doctor certifies that he is incapable of work, which may be true in the opinion of the doctor, but when we come to examine it, we find that according to our allowance, we cannot afford to pay for this class of case, and we say, "We shall not pay it: you may be 'capable or incapable of work.'"

4529. Did you understand that the Act gives the society the right of being sure that there is real sickness, and that the doctor is not master of the situation?—That is quite true. We have put that into operation since.

4530. In spite of this, you give them a clean bill of health?—I do not quite follow you.

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4531. You said yesterday you had no complaints to make against the doctors?—Did I say so? All this morning I have been doing nothing else but coming about the doctors. Our complaint is mainly that they are very free in giving certificates.

4532. I am simply following the outline of evidence which you submitted. You say that in the case of miners and coalers, who have low wages, the sickness benefit has a tendency to keep them off work longer than those who are in receipt of higher wages?—That is so.

4533. How are they able to stop off work if the doctors do not give them a sick note?—I think the doctors take a different view of this matter from what do. Perhaps in their opinion it is the best course to adopt. They think that it is better for the insured person to stay off a little bit longer than is absolutely necessary from our point of view, but that in the case of time those people will be strong and healthy, and as a result will not consult the doctors quite so much, and will not require the same attention.

4534. Is the opinion which you are expressing now with regard to the doctors the opinion of yourself, or of the opinion of the central committee, or of the local committees who have control of this district?—If I gave the opinions of all the three they would be very different. In fact some of our local people recently told me that the doctors are doing this to establish their attitude before the settlement with Mr. Lloyd George. That is the view of some local districts. In others the opinion is that they are doing it to get the people into a better state of health generally, and that seems to be the opinion of the majority. My present opinion is very much in favour of the majority opinion, that is that the doctors are doing this to get the people into a better state of health, so as to have less necessity for people to go to doctors in future. That is disastrous to us, but it cannot be helped.

4535. Is your view, that there is not much malin-ling, also the view of the general body whom you represent?—That is the general view of our central committee.

4536. Your general committee review these cases from the reports which they receive, and not by coming into actual touch with the members?—Yes, but they are in actual touch with the members. They are, all of them, secretaries of local districts.

4537. And that is their view?—That is the general view.

4538. Have you had in this large experience of sickness many women, or young married women who have gone to work for a period, and then have found it necessary to leave work, who have got a note from the doctor to claim sick pay, and who have remained on until they have received the whole 26 weeks' pay?—I do not think we have a lot of cases. I have only heard of it perhaps to the extent of half a dozen cases, where the whole 26 weeks have been paid.

4539. They have not gone back to work at all?—I am referring to the cases—we had better be clear at this point—where a person goes on for sickness benefit, and never goes back to work? That raises a general question with regard to temporary unemployment. The Commissioners declared that a person who could not work with an expectancy of resuming work would put stamps on his card. We have had a fairly large number of those cases, but we have only paid, in the first place, so long as the doctor has certified, and, in the second place, up to the time the sick visitor has reported the person capable of work. I do not know at how we have paid sickness benefit for the 26 weeks in circumstances like that.

4540. You have a number of cases of women who have come off their work through this cause, and who have never gone back to work again?—Yes, we have.

4541. A number of them?—Yes, a fairly large number.

4542. You would assume that when they came off work, they did not intend going back, and remained, on the fund by reason of the law allowing them to do so until they were compelled to come off?—It was a difficult point to decide whether it was temporary or permanent. If they came on the 1d. scale, we decided

that it was of a permanent character and we dropped them out of the insurance.

4543. But you cannot do that until the woman has declared that she is not going back to work?—We have a method of ascertaining that which perhaps no other society has. They are trade unionists, and if a person leaves the mill, and says she is not going back any more, one of the main factors is that she will either drop out of the trade union or drop into the 1d. scale. We have taken that as evidence of being permanently unemployed.

4544. Can you give us any idea of the proportion of women who are found to be doing housework, while they are on sick pay?—I think we can take one case. I was looking through the answers yesterday with regard to that point, and found it is fairly illustrated. Out of the 415 cases visited, I found that 30 were doing their own housework.

4545. Do the visitors complain that they have any difficulty in getting into the homes, or that they find that when the doors are locked, the people are sometimes doing housework?—In a few cases, but not generally. Those are the cases which are suspicious. When the doors are locked we make a second attempt, or adopt some subterfuge to get inside the house.

4546. I take it for granted that you do not consider that the number of sick visitors you have already appointed is sufficient to cover the visiting that is really necessary?—Our idea was that if we appointed sick visitors on a low scale, and found them effective, it would be better than appointing a large staff, and then having to dispense with their services. This is only the experimental stage of appointing sick visitors.

4547. It has not gone far enough to enable you to give definite information?—No.

4548. So far as it has gone, do you think that it has improved the position?—I think it has.

4549. If the administration allowance were made larger, you would not hesitate to appoint extra sick visitors?—We are not bothered about administration. It is our administration account that has saved us. According to the estimate of the Commissioners, on the 3s. 8d. basis for the first twelve months, we are entitled to 19,929l., and we have only spent 7,200l., so that we have been, perhaps, somewhat parsimonious in that respect. I do not want you to run away with the idea that that is because the work has not been done. A large amount of this work has been done by trade union officials in a voluntary sense, and also by our rate of payment. We cannot expect to have it done as cheap in the future.

4550. You conveyed to me the impression that the proportion of money you set aside—2d. per member—would only permit of this number of sick visitors being appointed?—Yes.

4551. And that was the reason why you appointed a larger number of sick visitors than had already been appointed, namely, two visitors to 17,500, and in an ordinary district we should consider that exceedingly inadequate. Now you say to us that that is not the cause?—That is so. You got a wrong impression if you took it in that sense. The central committee set aside 2d. per member for the districts to enable them to appoint sick visitors. If the district had not sufficient money out of the 2d. to appoint a sick visitor, they would go into a group or appoint part-time visitors.

4552. You limited it to 2d. per member?—Yes.

4553. Have you found that this sick visiting is going to save you to the extent of 1s.?—We do not say sick visiting has done that. The instructions which are given by the central committee to the districts have brought them down to 1s.

4554. You stated that since the introduction of sick visiting the sickness rates had gone down 1s., and some of us assumed that sick visiting had been the cause of that?—If we think sick visiting is going to be more effective in keeping people at home for a proper time, we would not hesitate to increase it. The central committee would say "Make it 3d. or 4d."

4555. (Miss Macarthur.) Lancashire is peculiar, and especially the Lancashire textile trades, in the custom

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of married women always continuing at work?—Yes, I think 95 per cent. of them continue.

4556. It has been the custom for many years, has it not?—Yes.

4557. So that married women are working in Lancashire to-day, as their mothers worked in the mills before them?—Yes.

4558. It has also been peculiar I think in another respect, that is, in the employment of half-timers?—Yes.

4559. So that a large proportion of these women, who are members of your society to-day, would be employed as half-timers as children?—The great bulk of them; almost all of them.

4560. And their mothers before them?—Yes.

4561. And their fathers before them?—Yes.

4562. You might tell the committee what time they start work in the morning?—The Factory Act definitely fixes that. All operatives start at 6 o'clock in the morning, and go on until 8 o'clock. There is then half-an-hour for breakfast. They start again at 8.30 and go on until 12.30. They get an hour for dinner and finish at 5.30.

4563. You have already pointed out to the committee that the wages of women in Lancashire are, comparatively speaking, very high?—Yes, they are.

4564. Take Blackburn for instance, would it be correct to say that in Blackburn the ordinary mill weaver on full time would earn from 24s. to 30s. a week?—At the present time, yes. There has been an advance in wages, since the issue of the last report by the Board of Trade.

4565. Then so far as the bulk of your members are concerned, excluding the 7½ per cent. who are winders and reelers, it could not be said that, when they are ill and receiving sickness benefit, they are not at any financial loss?—They sustain a very serious financial loss when they are off their work.

4566. That applies to the great bulk of your membership?—Yes, to the great bulk of it.

4567. The wages vary slightly in different districts?—Yes.

4568. Would it be correct to say that the wages in Todmorden are higher than in Barnoldswick?—I should think that if anything, the wages in Barnoldswick are slightly higher. They deal with a different class of goods. Wages vary according to the class of goods, and not merely on account of the number of looms running. The Todmorden trade is what we call a shoddy trade, and as a rule the trade is of a lower earning class, but the trade in Barnoldswick is of a very light character.

4569. The wages in Todmorden would be lower than in Barnoldswick?—Yes, I should say so.

4570. You admitted all your trade union members without medical examination or enquiry of any kind?—Yes.

4571. Would it be true to say that they were all employed at the time you admitted them?—No, there is always a small proportion of unemployed.

4572. But the bulk of them would be following their occupation, which is an onerous occupation?—Yes.

4573. You are not likely to have admitted any exceptionally serious cases of ill-health, such as paralysed people?—Except those joining on the 15th July, 1912, and who joined for a month afterwards.

4574. My point is rather this, that while you had no medical enquiry, still the bulk of your members, at the time you admitted them, were following an onerous occupation?—Yes, with a few exceptions.

4575. It was not likely that you admitted a considerable percentage of people in a very serious state of ill-health?—I quite follow your question now. We had just a few cases of persons who did not join upon 15th July, 1912, on account of some chronic illness. The question afterwards arose whether they should be admitted into membership, and we took rather a lenient view of the circumstances, and if they fairly recovered, or did recover, we allowed them to join the society; but these cases are very few and far between. The great bulk of our members were working at the looms at the time the Act came into operation.

4576. You said something about the presence of women on your various committees, and I am not sure that it was quite clear. Are there any women members on the central committee?—No.

4577. Have you knowledge of those districts where there are women members on the committee, and of your own knowledge would you say that there were women members on the committees of any large proportion of your branches?—No, they are limited to half a dozen.

4578. How many branches have you affiliated?—In the trade union section, 38, and in the insurance section, 36.

4579. Out of the 36 you think that there are half a dozen that have women on the local committees?—Yes.

4580. I want to clear up a point which I think you perhaps misunderstood. None of the rules of these district organisations specifically set forth that women shall be on the committee?—I would not like to say that. I believe that in the case of Oldham, the winders select a representative, and also in the case of Bolton. They cannot elect a representative of the winders who is not a woman, because only women are employed as winders. With this exception there is no rule in the various districts.

4581. But the rule is, not that women should be elected as women, but that the winders in these two cases should be represented?—That is so.

4582. It is not correct to say that provision is made for the election of women as women?—They are not elected as women but as winders.

4583. Questions were asked as to whether you took any steps to acquaint your members with the pooling principle of insurance, or to acquaint them with the heavy claims being made on your funds. Is it a fact that several of your districts have issued circulars?—Yes, they have issued circulars, and in the report and statement of accounts, which are issued quarterly, there is always some reference made to insurance.

4584. Circulars have been issued to members pointing out that, if this excessive sickness continues, the members will suffer?—That is so in many districts.

4585. Circulars have also been issued pointing out that, if they are on sick pay, no member is allowed to fulfil her household duties?—Yes.

4586. And that those people who are doing right will have to pay for the wrongdoings of others?—Yes, that is a common statement.

4587. So your districts have taken steps to inform the members of the position?—Yes. A fairly large number have done that. It is not done from the Central Office. I could not say the number who have done it, but almost every report that goes out from the local district has some reference to insurance.

4588. With regard to pregnancy cases, yesterday you gave us some interesting figures. I am not quite sure that I understood exactly what you meant by the 1,250 cases of maternity benefit. Were these 1,250 cases all the cases which had occurred in the six months?—Oh no.

4589. Were they all cases whose benefit had been closed?—Yes, so far as we could ascertain.

4590. They were all the cases, except pending cases?—Yes, except pending cases at the time the report was sent to me about the beginning of September.

4591. If they were all cases at the beginning of September except pending cases, I take it that they would probably be all the cases during the first six months?—No, I asked you yesterday to take this statement guardedly. The instruction was that they must be satisfied that it was a maternity case, and that it was closed. We must have had a large number of women who had been paid sickness claims, and whose maternity claim had been paid to the husband, that we did not get to know about, or did not know of at the time these figures were asked for, but all those cases were ignored. Every case of the 1,250 where maternity money has been paid by our society or some other society, and the case was closed so far as signing off after confinement was concerned.

4592. I ask you that question because it seems rather a small percentage—½ per cent. of your members?—Yes.

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4593. The fact that the average payment was only for 7 weeks and 2 days rather points to the fact that there must have been a good many cases where payments for short periods only were made?—Yes, some districts, took up a stand straight away, and only paid for the four weeks.

4594. So that some districts prior to July did not pay for more than four?—Yes, in certain cases, especially Todmorden.

4595. And some other districts as well?—Yes.

4596. With regard to doing household work, you are stopping benefit to those who are doing household work?—Yes.

4597. Does that depend upon the kind of household work they are doing?—No.

4598. They are stopped if they are doing any kind of household work?—Yes, any kind of household work.

4599. Would it be true to say that a woman found making herself a cup of tea would be stopped?—That would be getting rather near the line of demarcation. The instructions to the sick visitors are that if the persons are found doing any household work at all, they must report the circumstances, and invariably they get struck off. The case of providing their own meals may be one of those instances where the sick visitor turns a blind eye, and allows it to go. I am inclined to think that they do allow people to provide their own food, or make a cup of tea.

4600. They would not allow them to dust or to make beds?—No, nor to do baking, nor blackleading.

4601. How about the children?—They must not look after the children.

4602. Have women been told that they will not be allowed to perform their maternal duties, while they are sick—meaning by maternal duties the dressing or care of children?—If they were found doing that, we should stop them.

4603. I think you have told us that this conduct is rather repugnant to your own wishes?—It is; we do not like it.

4604. You would not deny that a great many of these women are ill?—They are ill, and unable to follow their ordinary employment. We admit that.

4605. You would agree that if the money were available, it would be advisable that they should be paid?—Yes, we think so.

4606. Then the only reason your committee is taking this line is because their payments have been so much in excess of the actuarial estimate?—Yes, that is quite true. We cannot afford it.

4607. It is a case of cutting your coat according to your cloth?—That is quite true. I am speaking of the great bulk of cases. We have very few cases where we should strike them off. You will always find cases which ought to be struck off, and they are always found in all the societies, and among all conditions of people, but they are very few indeed.

4608. Would you welcome any provision for payment over a certain period during pregnancy?—Yes. Our central committee have written to the Commissioners on the subject.

4609. (*Miss Ivens.*) Do not some of your members work under rather unhealthy conditions?—Yes, fairly so.

4610. For instance, humidity of the atmosphere? Would those conditions apply equally to men and women?—Yes, undoubtedly.

4611. You say 75 per cent. of your claims come from married women outside maternity benefit?—Yes.

4612. Can you tell me how the sickness benefit claims compare between the men and single women?—If the married women were equal to the single women, so far as we can approximately get the cost, we think that we should be fairly well within the mark; that is, the single women do not absorb more than the estimate of the Commissioners; it is the married women who are the cause of the trouble.

4613. It is not the fact of their being women that causes the trouble, but that they are married women?—Yes.

4614. You have had a good many claims for maternity benefit?—Yes, a fairly large number.

4615. Are these women attended by midwives or doctors?—I have no means of ascertaining exactly. Midwives are very common in Lancashire.

4616. Have you any reason to think that they are not well attended, or that they suffer more than they would if attended by a doctor?—I should say from my knowledge that apparently the midwives are a fairly good class.

4617. You think that the doctors are giving certificates rather easily?—Yes, we do think they are giving them very gracefully.

4618. At the same time, you think they are advising honestly, so far as they are able, with a view to the immediate recovery of the patient?—Yes, and to their permanent recovery.

4619. So that really in the long run it will improve your funds?—That is our opinion and also my personal opinion, but it is very disastrous just at the present moment.

4620. The treatment of doctors since August last will really, in the long run, be beneficial?—That is so.

4621. Under rule 16 (2) of your rules you are able to pay to institutions. Have you taken advantage of that rule at all?—Very slightly. We have an understanding with the Manchester Infirmary, and the Colne Cottage Hospital. I think that those are the only two with whom we have any understanding.

4622. Does that mean that when a patient is ordered to go into hospital, you get him in fairly easily?—Yes, without recommendation. That is in cases where there are no dependents.

4623. Then you would pay something to the hospital?—Yes, we do that.

4624. (*Dr. Pearse.*) Do you think that prior to the introduction of the Act, women went to work who were not fit to do so?—Yes, in a large number of cases.

4625. Can you give us any idea of the relative sickness among the winders—the poorer paid women—and the better paid women?—No, I have not the slightest idea.

4626. If a doctor gives a certificate that a woman is unable to work owing to pregnancy, do you think that that certificate is sound from the point of view of health, and do you think the doctor is right in stating that?—Now we are up against another personal opinion. It depends what view you take. From an Insurance Act point of view we should not be entitled to pay, but from the social reformers' point of view, we think the doctors are well advised in telling them not to work, and in giving the certificate.

4627. You say that you admitted at the time the Act came into operation some cases of chronic illness; have you any information as to whether any of those cases have been on the funds for a long period?—Yes, they have been on for the 26 weeks.

4628. How many of them?—I do not know. We can only form an idea from the reports coming from the districts. My impression is that once a decision is asked for from the central office and is given, it applies in all cases. If an individual applied to a local office, they would ring us up, and ask whether such-and-such a case should be admitted; we should say, yes or no. That would be the first decision, and that decision stands good all the way through; they never apply a second time. That is the reason why we do not get all the cases brought before us; we get one and that settles the principle.

4629. You say some bad lives have been on your funds for the full period of 26 weeks?—That is the opinion I get from the secretaries.

4630. As to doctors giving continuing certificates to relatives without seeing the patient, do you mean that doctors give a continuing certificate without seeing the patient at all?—No, I do not say that. Say the certificate ought to be signed to-day, Thursday, and the doctor was there last Monday, and perhaps will not go again till next Monday. He signs it for to-day, but he last saw the patient on Monday last. We do not approve of that. We think that he ought to see the patient on the very day he gives the certificate.

4631. That means you expect the doctor to see the patient to meet the exigencies of the certificate, and

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not to meet the necessities of the patient?—You are putting it very nicely. You are saying that the doctors ought to work for us, and not to work for the patient, but our rules are rules.

4632. (*Chairman.*) The two things are not mutually contradictory?—We say that if he has not seen the patient since Monday, he must date the certificate for Monday.

4633. (*Dr. Pearce.*) I am speaking of a definite form of certificate which has to be signed once a week and on the same day of the week?—Yes.

4634. You say that it must be signed on the same day of the week, each week?—Yes.

4635. Can you expect a doctor to see a given patient on the same day in each week; that is what you are asking?—We do not quarrel about it, but we do take exception to three days. We take exception to signing on a Thursday for seeing a patient on Monday. If he saw the patient yesterday or sees him to-morrow, and signs the certificate yesterday or to-morrow, and it should have been signed to-day, we should not take exception to that.

4636. (*Dr. Fulton.*) As to giving certificates to relatives instead of insured persons, you would not object to the doctor giving a certificate to a man's child, if the doctor had seen the patient in the morning, and the child went to the surgery at night?—Oh, no.

4637. Your reply seemed to imply that you did object to it, but you do not mean that?—No.

4638. What you object to is that the relatives should go when the doctor has not seen the patient at all?—That is what I wanted to convey.

4639. You have no real objection, and do not think it is morally wrong for a doctor, to ante-date or post-date for a day, if it suits his business, and he knows the certificate is *bonâ fide*?—I do not say so. I say the doctor must sign the certificate on the day he sees the patient. If that day is a day prior to the week ending for benefits to be paid, one could not take objection to paying for the full week.

4640. (*Chairman.*) You like the doctor to state the actual day he has seen the patient?—Yes, whether it is the previous day or not. That leaves us to judge whether or not we ought to pay.

4641. (*Dr. Fulton.*) You are satisfied that your sickness experience is not excessive, except in the case of married women?—Yes.

4642. When your married women come home at night, after working in the factory all day, what do they do?—They have an enormous amount of household work to do.

4643. Do single women do that?—Not to the same extent.

4644. Do married men?—They assist sometimes.

4645. On the whole, the fact is that married women, who do work all the day in the mill, work considerably longer hours than single women or married men?—That is what we attribute the disease to.

4646. Before the Act came into force, how did these married women get medical attendance? Was it as ordinary private patients?—I do not see how they could get it in any other way.

4647. In Lancashire there was not a large contract work for married women?—Only in the friendly societies.

4648. That did not affect a large proportion of the members?—I do not think so.

4649. You do not know whether these women consulted the doctors for trouble connected with pregnancy or not?—I do not know.

4650. You say that the doctors are giving their certificates generously, and you are saying that they are doing what you used to do for married women who stayed at home longer. I understood you to say that you were in the habit of advising women not to go back to work too soon?—I did not say anything about that. I said that in compensation cases we have had a large number of cases where they were anxious to get back to work. The persons had been injured; I advised them in certain circumstances to stay off three days or another week, because it would do them good; that has no application to married women.

4651. Do you think that the position of the doctors is very much your old position with regard to these men?—Speaking generally, it means that the doctors are falling in with the views I held.

4652. Do you think their motives are the same?—I like to give them credit for having generous and unselfish motives. I believe that doctors as a class are a fairly decent class of people. I have had a large experience with them, not as a patient, but I have seen the best side of doctors. I was on the House Committee of the hospital at Burnley for many years, and came into direct contact with the doctors almost every day, and got to have a very high appreciation of them. Perhaps that is the reason why I have given them a better word to-day than some witnesses may have given them.

4653. Do you think it would have helped matters from the financial point of view of the Act, if pregnancy and the diseases of pregnancy had been excluded from the medical contracts?—Yes; we see a paragraph in the Handbook to the Administration of Sickness and Maternity Benefits, which is an excellent book, that seems to land us, and has landed us. It is paragraph 110. The wording is doubtful. It says: "If the wife is an employed contributor she is entitled to sickness benefit irrespective of her confinement, whether her husband is insured or not. There is no fixed period during which this benefit is paid, the conditions being the same as those for any other sickness benefit, that is, it is payable from the fourth day after the commencement of the incapacity (which may, of course, begin before the actual confinement), and continue so long as the society is satisfied that she is incapable of work, up to a total of 26 weeks as explained in paragraph 92." All the women who get off on account of pregnancy think that they are entitled to 26 weeks pay; if not all, the bulk of them. Our impression was that only four weeks should be paid, that is, the 30s. for the four weeks for maternity and the 30s. for sickness, and that the job then finished. When this paragraph came out, it was a bit of a surprise.

4654. You think the regulations about pregnancy, and diseases relating to pregnancy, are vague?—They are either vague, or else this is a sweeping statement.

4655. You can sympathise with the doctors when filling up or giving certificates?—Doctors are entitled to express the opinion whether or not a person is incapable of work. The difficulty is with regard to "incapable of following ordinary work." That does not mean incapable of doing any work.

4656. You think that it should be that they cannot follow their ordinary employment?—That is the view we take.

4657. (*Miss Wilson.*) You sometimes refuse benefit on the ground of misconduct. Have you done that in the case of an unmarried woman who has had some complication connected with pregnancy, because you considered that her condition implied misconduct?—No, we have made no distinction in the case of women.

4658. In a case in which your sick visitor tells you that there is complete disablement on account of pregnancy, although there is no complication, do you pay?—The instructions are not to pay.

4659. Even if the sick visitor says the woman cannot drag herself about at all to work?—That is so.

4660. In that case you would refuse pay?—Unless there have some disease other than pregnancy; there would be no payment for pregnancy at the present time.

4661. But at first your policy was to pay for these cases?—Yes.

4662. And also to pay for quite a normal case of pregnancy in which the woman for, say, the last week could not work, simply because it was a case of advanced pregnancy?—Yes, that is so. We paid all those cases up to the end of July.

4663. You did that because you thought it was in accordance with these instructions, and because the woman was disabled from work, or had a specific disease?—Yes, because she had total disablement and was incapable of work. That was the term used.

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4664. That would have been your own idea, quite apart from the hand-book?—That is so.

4665. I mean that if you had not had this hand-book, you would have thought the Act meant that?—No, our general impression was that in all pregnancy cases, we merely paid for the four weeks after confinement.

4666. I am talking of the time before confinement now. I want to ascertain whether, apart from this book, you concluded that you would not have to pay for any disablement connected with pregnancy before the confinement?—We got our impression from the various text-books that were issued, and all the text-books up to the time of this hand-book being issued gave a maternity case as practically a 3*l*. case—30*s*. maternity, and four weeks at 7*s*. 6*d*., made it a 3*l*. case. That is the illustration given in almost every text-book.

4667. That was saying nothing about sickness or disablement before confinement?—That is so.

4668. As the possibility of that was not mentioned, you concluded that it was outside the Act until you saw this book?—Yes, until I saw paragraph 110.

4669. The words that surprised you are the words in brackets: "which may of course begin before the actual confinement," that is to say, the incapacity which may begin before the actual confinement, and continue so long as the society is satisfied that she is incapable of work up to a total of 26 weeks?—That is the part which was a surprise to us at the time.

4670. There are two separate points. Your first surprise was that the incapacity could begin before the confinement, and the second surprise was that it might last longer than four weeks after confinement?—Quite true.

4671. You said your sick visitors give advice as to what these people should do in certain circumstances?—Yes.

4672. Is it a condition of payment that your members should follow the sick visitors' advice?—No.

4673. What happens if they do not take the advice?—It is not obligatory. The advice is given, and they can please themselves whether they accept it or not. It is a friendly suggestion; they say, "You can do this or the other."

4674. They do not suffer if they do not take the advice?—No.

4675. On the point about four weeks after confinement, supposing a woman had clotting after delivery, and had to stay in bed more than a month, would you then think that you need not pay?—No, we have not taken any specific line with regard to stopping payment after delivery. Our specific instructions to the districts are in regard to payment before delivery.

4676. But you told me just now that the idea that it could last more than four weeks was a surprise to you?—That was more than 12 months ago. The hand-book was issued before we paid benefits.

4677. You have accepted the position that in a case like the one I suggested, in which the women had to be in bed for more than four weeks, because she had some distinct thing like clotting after delivery, you would pay?—Not if it appertained to confinement. My impression was that no payment should be made after the four weeks.

4678. (*Mr. Watson.*) On the 15th July 1912 you admitted to membership of your society all members of your trade union, who were working and who elected to join the society?—That is so.

4679. At a subsequent date you admitted into the society those members who at that subsequent date were working, but who on the 15th July were laid aside through sickness?—There were practically no cases whatever of that kind.

4680. Had you any reason to think that among those who joined your society, who were working on the 15th July or working later, you had an abnormal proportion of bad lives?—I should think that as a trade we are not very badly off. I do not think we are quite so good as the agricultural labourers.

4681. That is not my point. Had you any reason to think that the bad lives in your trade would come in greater proportion into your society than into any other society which weavers went into?—I do not

think so. Particular societies—take the Rechabites who have a stipulation that a person must be a teetotaler—claim that they get the best lives through that. In comparison with a society like that we should have to admit that we stand to a large degree at a disadvantage—that is if we assume all the statements made by them.

4682. Have you any reason to think that bad lives would find their way into your association rather than into the Foresters, or the Oddfellows, or the Prudential?—Yes, I should think that we would get a greater proportion of bad lives in our society.

4683. Why?—You mentioned the Oddfellows. I understand they do not take everybody in, without either some recommendation or stipulation.

4684. I am looking at the 15th July 1912, not the ordinary practice?—My impression is that the Oddfellows and most societies did not take people in without medical examination. The general understanding at that time was that the person was asked, "Are you in a state of good health?" That was one of the questions put in a lot of approved societies' forms, but we did not put it at all. The condition of membership was that the person must be a member of the trade union.

4685. You think it possible that you may have an undue proportion of the people who happen to have bad lives?—I should think that we should have a greater proportion than any society that asks for that statement to be made, or who has medical examination.

4686. Everybody was a genuinely employed person who was admitted to your society?—Yes, they could not come in unless they were employed.

4687. Your view of the Act is that it was intended to include everybody who was employed?—Yes.

4688. The fact that there were bad lives among your people had nothing to do with it, and was not a factor to be brought into consideration?—Only in this sense, that we were expected as one society to take our fair proportion of bad lives.

4689. You would not agree that you were expected to so scrutinise application forms as to shut out all except what I might call first-class lives?—Some societies, I understand, did so. We did not.

4690. That is not your view of the intention of the Act?—The members put it to us: "If we are good enough for the trade union section, we are good enough for the insurance section." I may say the members in general meeting agreed to that point. It was not the fad of some official. It was settled at a meeting specially called for insurance purposes. The point was specifically stated, and by a special resolution they agreed to accept all persons who were in the trade union.

4691. And they realised that they were getting reserve values for everybody?—I do not think they realised it fully, but they realised that the Insurance Act was intended to benefit these people, and that if the Act gave them any assistance at all, they were going to get it.

4692. You recognise that reserve values are there, and that it is not reasonable to say, as regards those who happened to be bad lives on the 15th July 1912, if they were working, that they nevertheless ought to have been excluded from insurance?—I do not know that I have anything further to add to what I have just said. Our society agreed to take them, and, having taken them, we shall have to take the risk.

4693. Is it your own view that people who were working were entitled to be insured, whether they were good lives or otherwise?—Quite so. The resolution was passed by the members that they must be allowed to come in.

4694. I am not suggesting that you are placed at a disadvantage. I am suggesting to you that the Act provided reserve values for everybody who came in, and that it would not have been just for your society or any society to have said, "We will take nobody except really good lives"?—They could have done that if they wanted to.

4695. You say 75 per cent. of your claims are for married women. Is that 75 per cent. of all the claims

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or of the women's claims?—75 per cent. of the women's claims.

4696. Among those claims are payments of four weeks sickness benefit continuing after confinement?—Yes.

4697. Which in future will be paid for as a maternity benefit. You have included that as sickness benefit?—I mean that 75 per cent. of the members on sick pay were married women.

4698. 75 per cent. of the claims from all women are from married women, although the married women are not more than about 40 per cent.?—Yes. They are about 37 per cent.

4699. To what extent have you been guided as to what you ought to pay out by the general average figures? You have formed your opinion that your claims are very excessive by comparing them with the figure of 3d. for men and 2d. for women, which is a sort of rough rule used by the Accountant General's Department in making the issues to societies, but have you given any weight to the fact that in a society which has an abnormal number of married women, you must have an abnormal number of claims for confinement?—We did not consider it before, and did not think it would apply so severely as it has done.

4700. Supposing your claims for women had been 2½d. and the general average was 2d., would you have felt no concern because of that?—Yes, we should have felt concerned in this sense, that our figure would have been 12½ per cent. greater than it should have been.

4701. Did you give any consideration to the fact that you got thereby larger reserve values for married women, and that so far as excess cost from actual claims up to four weeks after confinement is concerned, you would have reserve values given you?—Our view upon that point was this: We understood that all societies had this estimate given to them, and that if the Weavers Society spent more than 2d. on women, they were exceeding the allowance, and consequently at valuation we shall have to reduce our benefits. If other societies are working on the same basis and they do not exceed the 2d., then they will not be reduced.

4702. You did not look to see whether there was anything special in the conditions in your society?—What is special to us is special to others.

4703. Your society has an abnormally large proportion of married women?—We did not know of that fact when we were thinking about the society being formed. At the inception of the Act we did not know what the value of the reserve values would be. We have since ascertained that it would be very large.

4704. Your complaint as to excessive claims on account of married women is not limited to cases of pregnant women?—No.

4705. It includes married women generally?—Yes, generally.

4706. Do you consider that the conditions under which the industry is carried on, under which married women have to be at work at 6 in the morning and work two hours before breakfast, and then have to do all their household work after getting home at night, are, on the whole, likely to be inimical to health?—I am an eight-hours man. I believe that nobody should start before 8 in the morning. The question arises as to whether you think it is injurious to health to start earlier. I do to a large extent, especially in the case of married women who have to go home at night at 5.30, and then have to do all the work of the house, and, in addition, to take the responsibility in a large number of cases. The worry sometimes hurts even more than the physical labour.

4707. You consider, so far as women are concerned, that the conditions of the industry are such as to make it, from an insurance point of view, a bad risk?—I should not call it a good risk.

4708. At any rate, it is not malingering?—I should not say that it is malingering at all.

4709. If women in receipt of sickness benefit are prohibited from doing house work, you would be satisfied with them remaining at home and drawing sickness benefit, notwithstanding the fact that you

would probably have as much to pay as you have at the present time?—I do not quite follow that.

4710. Your objection to them doing housework is not that it points to a state of health in which they are really capable of working, but that you think the doing of housework is retarding their recovery?—Yes.

4711. You mentioned the complaint against the doctors that their hours of attendance are somewhat inconvenient to members. You said a member will go to a doctor at 10, and be told to come again at 6. Is that a general state of things?—In some districts I am afraid it is, but I should not like to say exactly what districts they are. I have heard the statement made so often, but I would not like to say exactly whether it is done in all the districts. I know it obtains in Burnley with one or two doctors.

4712. Would these doctors not visit serious cases, unless the person goes to the surgery?—I would not like to say that. I gave the illustration of a person who went at 10, and who was told to come at 6.

4713. That is the private grumble of individual members?—Yes.

4714. It is not a serious matter?—We do not take notice of these complaints unless members are prepared to put them down in writing. We know the advantage of getting these things down in writing, consequently before we make a complaint to any authority about a doctor or anybody else, we say we want it in writing. Street corner gossip is of no use to us.

4715. How many complaints in writing have you had?—None in writing. I have given you what I have heard, and seen myself, about that.

4716. What has happened when you have reported a doctor to an insurance committee for not seeing a patient before giving a certificate?—We have got that put down specifically in writing. I reported it to the clerk of the insurance committee, and the clerk of the insurance committee sent a copy to the doctor. The doctor has replied, and, invariably underlying the whole statement, the doctor has pleaded guilty. We do not carry the case any further, because we do not like to persecute a person for one offence, and if they give a kind of promise, and if we understand from the letter that it will not occur again, we let the matter drop.

4717. It has been sufficient to bring it to the notice of the doctor that there has been an irregularity?—Yes.

4718. Do you pay members sickness benefit on a given day in the week, or do they get it at the end of the week from the time of going sick?—It depends on the district. Burnley can afford to pay the claims every day, but in a small district a man cannot be expected to go two or three miles to make payments, and there he takes the money once a week.

4719. In those cases would you honour the claim on a doctor's continuing certificate several days old?—We should make allowance for that.

4720. You realise that there is a difficulty there?—Oh, yes.

4721. You mentioned that a married woman sometimes drops her trade union membership, and when that is the case, you have to determine whether she is continuing in employment or not. Does a woman drop her trade union membership while she is sick?—No.

4722. Does the sick woman, who possibly does not intend to return to work, keep on contributing to the trade union?—If she does not, she falls into arrears. She is expected to pay.

4723. Why should a woman who has left off going to work, and who never intends to go back, keep on paying her trade union contribution for several weeks or months?—The real object of that is that in the event of her returning to work, she is in full benefits should anything happen in the nature of a breakdown or a strike.

4724. With regard to a woman who is actually drawing sickness benefit, although eventually she does not return to work, it cannot be said that she knows she was not going back to work?—You cannot draw a definite line in any case, but the general inference is that if a person ceases contributions to the trade

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union, you may take it for granted that she is not permanently employed.

4725. But if a woman has not dropped her membership of the trade union, in your opinion it is not right to draw the inference that she never intended to go back to work?—We have to exercise a very wide discretion in these cases, and find a reason for striking her off if it is necessary to strike her off.

4726. (*Chairman.*) It was suggested to you that your position under the Workmen's Compensation Act, when you advised people to stop away from work, was very similar to that of the doctors under the Insurance Act when they advised people to stop away from work?—I hope it is with the same intention.

4727. No doubt the conditions in Lancashire are very peculiar, but to some extent you were then advising the employed person, how to make a claim against a person who was potentially an adversary?—Yes.

The witness withdrew.

Mr. A. R. BARRAND (*Secretary of the Prudential Approved Societies*) examined.

4732. (*Chairman.*) You are the secretary of the Prudential Approved Societies?—Yes.

4733. What societies are there?—There are six—one for men, one for women, one for female domestic servants, one for miners, one for laundresses, and one for agricultural and rural workers.

4734. Does each of these societies contain one sex only?—Yes.

4735. That is to say, you do not admit women to your society for agricultural and rural workers?—No, the rules provide that they are to be persons of the male sex only, that is, as far as the benefit members are concerned.

4736. So there are three men's and three women's societies?—Yes.

4737. Can you give us the number of insured people in each of the societies?—The numbers I have brought are those for the end of the first quarter—for the cards actually returned to the Commissioners. The number now is slightly in excess of these, but I think in view of the fact that this inquiry relates to benefits, and the benefits are mainly paid upon those who were our earlier members, these figures give the best idea of our membership for the purposes of the Committee. I can give you for England only, or for the United Kingdom.

4738. Give us first England only, and then the United Kingdom?—Taking our society for men, and leaving out for the moment the Army and Navy members, the figures are, for England only, 1,095,000, and for the United Kingdom, 1,340,000. Included in that there were also 58,600 Army and Navy members, practically the whole of whom are in England. Then miners, 5,510 in England, and 8,523 in the United Kingdom; that is quite a small society for reasons which I need not explain. Rural workers, 13,985 for England, and 18,674 for the United Kingdom, giving a total for men for England of 1,174,000, and for the United Kingdom 1,426,000. The society for women has in England 678,500 members, and for the United Kingdom 798,300. Domestic servants for England 271,500, and for the United Kingdom 311,000; laundresses for England 23,100, and for the United Kingdom 25,000, the sum of the women for England is 973,200, and for the United Kingdom 1,134,000, making a total for both sexes for England 2,147,000, and for the United Kingdom 2,560,000.

4739. In England is the membership fairly distributed over the whole country?—Yes. Of course it is a little denser in the thickly-populated manufacturing districts, but speaking generally, they are fairly evenly distributed, and in our society, more than in some other industrial societies perhaps, we have a large membership in the agricultural districts.

4740. I meant that it follows and corresponds to the density of the population in England, more or less, does it not?—Yes.

4741. Is there any particular place that you are particularly strong in?—In England I should say we

4728. You do not regard these people who are claiming on your funds as people who are claiming against an adverse party?—I do not take that view of it at all. I gave the illustration to show the desire and anxiety of an operative who wished to get back to work. They can earn far more money when they are working, than they can get under the Workmen's Compensation Act, but I advised them to stay away a day or two longer because it would be advisable in the long run.

4729. Friendly societies are rather inclined to look upon the doctor as the guardian of their funds. I do not know how far you accept the doctors as being in that relationship?—We have to rely upon them very much.

4730. But the employer does not look upon you as the guardian of his funds under the Workmen's Compensation Act?—The relations are sometimes better than you think.

4731. But the relations are not the same?—Not quite the same.

are as strong in London as anywhere. We have a little over 300,000 members in London.

4742. Quite apart from these special occupational societies that you set up, is there any particular occupation which you find particularly represented in your society?—No, I think not. It embraces all sections of the population very much as the different occupations are distributed.

4743. All these six societies are separate sections formed by the Prudential Insurance Company under the National Insurance Act, 1911?—Yes.

4744. And none of them, of course, had any previous connection with sickness benefit, except in so far as the parent society had?—No.

4745. Had the parent society any experience of sickness benefit?—In the early days of the company it had some sickness benefit, but a few years ago it ceased to do that altogether. Since the coming into operation of the Act, it has also resumed sickness benefit, to some slight extent, for the benefit of those members who desired also to take up supplementary benefits.

4746. By supplementary benefits do you mean the first three days?—No, we provided that too. We provided two classes of sickness benefit, one to cover waiting periods—not the three days, but the six-monthly waiting period—and the other by way of supplement to the sickness allowance.

4747. To increase the sickness allowance?—Yes.

4748. Before I go to the rest of the substance of the inquiry, can you tell me what it was that led the company to separate their members into these six classes. I can understand the separation between men and women, but is there anything to tell the Committee about the separation between men generally and agricultural labourers and miners, and between women generally and domestic servants and laundresses?—No, the only reason is that representations were made to us, usually from people interested in the particular occupation, urging us to form societies confined entirely to those engaged in these occupations. It was in response to those suggestions that we reformed them.

4749. Were you thinking, for example, that among domestic servants, on the whole, you would expect to find a less rate of sickness benefit, and, therefore, you thought that probably they might desire to be grouped together, or did that not enter into your calculations at all?—I should say, rather, it was because we found that a very large number of domestic servants were apparently standing out of the Act altogether, and were being urged to reserve their membership until some society, confined entirely to domestic servants, was formed. Seeing that there was a large class not in any approved society, and waiting for a suitable society to be formed, we naturally took steps to form the society.

4750. Did you form the Miners' Society with any idea that the rate among miners was likely to be heavier?—No, that had nothing whatever to do with

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our formation of the Miners' Society. It was representations of the nature I have suggested.

4751. Do you say, according to your experience, that claims are, or are not, being made in excess of what you regard as what is justifiable in the way of claims on the sickness benefit fund?—My answer to that would be that I have no evidence to produce that shows that such claims are being made to any appreciable extent. I have plenty of evidence of heavy sickness rates, but no evidence, except in isolated cases, to connect that heavy sickness rate with anything like an imposition upon the funds.

4752. When you say "imposition on the funds," that limits it more or less to some idea of fraud. One can imagine claims that ought not to be made, but that do not amount to fraud?—I have no evidence, on any extensive scale, of claims coming forward which, in my opinion, are unjustifiable. I could give you plenty of isolated instances, but that tells nothing as compared with a large membership like ours.

4753. What do you say, for example, to certificates which purport to ascribe the illness, or incapacity for work to such things as cold, anæmia, and debility, without further explanation. Do you find a number of them coming forward?—A fair number.

4754. What is your view of such a claim as that?—My opinion is that it seems to be a case for inquiry, and we make inquiry.

4755. You do find a number of these cases come forward, and you make inquiries?—Yes.

4756. What is generally the result of your inquiry?—Generally the case I present is, that we find among certain classes of our insured persons quite heavy sickness rates, but that we are not in a position to attribute the heavy rate, where it exists, to claims which ought not to be made upon our society. They may, or may not, be due to that cause. I have no evidence to connect them with such cause, but we find an appreciable number of cases in which the cause of incapacity is given as some ailment which, in general, does not imply incapacity for work, and in such cases we make inquiries, and if we are satisfied on inquiry that the circumstances present any feature of suspicion, we have an independent medical examination, and then act upon the result of that medical examination.

4757. I will come to that in detail in a minute. Do you find that there is a tendency for claims to be heavier where wages are lower?—A slight tendency, but the evidence is not sufficiently conclusive on that point for me to give any direct evidence. There are questions between men and women which might, to some extent, be due to that cause, but which are also capable of being explained on quite other grounds. We have had some inquiry made in two districts, in one case where wages were low, and one where they were high, and in the low wage district the result showed rather a heavy rate of sickness. The towns we took were Burslem and Ironbridge. At Burslem, where the conditions would lead us to expect a higher rate, we had a lower rate of sickness: the average wages are stated to be decidedly lower in Ironbridge than in Burslem.

4758. The wages are lower, but for all that, you get a lower rate of sickness?—No, the wages are higher in Burslem than in Ironbridge, and the rate of sickness is lower in Burslem than in Ironbridge, though from what I know of them, I should imagine that the conditions were rather favourable to health in Ironbridge than in Burslem. That is only an isolated instance, and I do not place much value on it as entitling you to draw any general conclusion.

4759. Do you draw any conclusion, for instance, from the particular days in the week on which you notice members declare off, or do you not notice anything at all about it?—Yes, most societies have noticed a tendency to declare off at the end of the week.

4760. Do you draw any inference from that?—I draw the inference that there is a tendency to have a complete week's sickness, and to declare off at the end of the week. There is undoubtedly a tendency in that direction.

4761. If that is so, do you imagine that people are stopping on longer than they ought to be stopping on, or that they are going off earlier than they ought to go off?—I should imagine, though it is simply an inference which may be incorrect, that there is a tendency to think that they will complete their week of sickness, and the doctor gives them a certificate to cover that week, while in point of fact, it is quite probable that they are ready for work a day or so earlier.

4762. When you say that, I suppose you have reports of all kinds from all over the country from the people who are actually working the thing in the country for you. Have you had observations of that sort in these reports, generally speaking, or is it just an inference that you draw yourself?—I think one or two have mentioned in the course of conversation, that they have observed this in their district, but I have no information. It is simply an inference drawn from the facts, as I have them before me.

4763. Do you have many cases in which you detect deliberate fraud?—We have a few. I have particulars of fifteen cases. That is the total number we have had to penalise for something in the nature of fraud.

4764. In the way of imposition on the funds?—Yes. It is appreciable as compared with our claims.

4765. I pass from that to the next head of inquiry, which is that relating to doctors. I do not want to put anything to you about doctors, if it is not within your own knowledge, except such inferences as you can draw from what comes before you. You are in London all the time, are you not?—Yes.

4766. You are not in direct touch with the actual operation of the Act in the country though, no doubt, you have an extensive knowledge of what happens from being in touch with people who are doing it?—I am not in touch with the actual insured members, but I am in touch very frequently with those who are themselves in touch with the insured members.

4767. What do you say generally about the attitude of the profession towards the Act?—I have caused extensive inquiries to be made, covering the whole of the country. They were made some two or three months ago now, and the result showed that in the great majority of districts in the country the medical benefit was working satisfactorily.

4768. And certificates were being obtained satisfactorily?—Yes.

4769. Did those inquiries show a gradual improvement since the beginning, or was it consistently good all the way along?—Most of the answers to my inquiries showed a considerable improvement, and the general tenour was that things in many districts were unsatisfactory at first, but they had settled down, and everything was going smoothly now.

4770. That had regard, not only to medical benefit, strictly so-called, in which, of course, you are interested on behalf of your members, but also to the assistance the doctors were giving in the administration of sickness benefit?—I addressed questions to our representatives as to whether medical benefit was being administered satisfactorily, whether doctors were refusing to state the cause of incapacity, whether they were granting certificates where the member was not really incapacitated, whether they were giving certificates of continued incapacity, and whether the doctors were treating insured patients in a different manner from that in which they treated their private patients.

4771. Taking these one by one, can you give us a sort of résumé of what the result was—the impression formed on your mind by the answers? Perhaps you will tell us to whom you addressed the questions?—To our superintendents.

4772. How many superintendents are there in England?—I should say nearly 500. We have a little over 600 in the United Kingdom.

4773. Will you kindly give us a general idea of what you gathered from the answers, taking them one by one?—With regard to the question as to whether medical benefit was being administered satisfactorily, the overwhelming proportion, something like 95 per cent., said "Yes, it was quite satisfactory." With regard to doctors refusing to state the cause of the

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incapacity, 67 of these reports mention certain cases in which some difficulties had arisen, but out of the 67, 38 came from one county alone.

4774. What was that county?—Lancashire.

4775. What was the date of these? Are they more recent than the others?—The answers came in the beginning of July.

4776. Did these 38 give details of what they complained of?—They said that the doctors would not state the cause of incapacity. It is a matter on which we have had considerable difficulty all along in that county. The local medical associations united together to decline to give the information.

4777. Did your men, in these reports you received, state a general impression on their part, or did they give specific instances of the practice?—They gave specific instances, and the towns where they occurred. The certificates were sent up in that form, and we had to take action in the matter. Of course, we communicated both with the local insurance committee and the Insurance Commissioners.

4778. You communicated with them, but not as a result of this inquiry that you are now describing?—We had done this before. This did not reveal anything new to us as far as Lancashire was concerned.

4779. Have these actual cases that they mention been, in fact, investigated by the insurance committee or some other tribunal?—We have referred them to the insurance committee, and where the insurance committee did not take action, we have referred them to the Insurance Commissioners, and the difficulty has, to a great extent, disappeared as the result.

4780. These actual cases have passed away, and it does not look as if they were recurring?—There are a few isolated cases now, but they are cases of individual doctors rather than any organised refusal to do it.

4781. So far as you know at present, there is no organised resistance in the matter of stating the complaint?—I do not think so. I do not call to mind at present one district where that prevails.

4782. The reason I am pressing the question is this, that if there is resistance, we might ask the doctors from the districts to come up, and explain their attitude to us, in order that we might understand how it was working. If it has all passed away, there is no object in our pressing it home?—I cannot recall any district where it prevails.

4783. That is the question of stating, or not stating, the cause of the incapacity?—As to doctors granting certificates where the member is not really incapacitated, of course, there I accept the statement with a little hesitation, because I look on the doctor as speaking with authority on the question as to whether a man is incapacitated or not, when he has stated that he is incapacitated. In about 30 per cent. of the reports, our representatives said that in certain cases they found that such cases had come to their notice, but in all cases, as far as I recollect, they said the matter was improving. It was noticeable in the early stages of the Act, but things have improved.

4784. That is a suggestion that doctors were actually giving certificates that people were ill when they were not ill?—No, I do not take it to be that at all.

4785. Giving certificates that they were incapacitated, when they were not incapacitated; is that right?—Giving certificates that a man was incapacitated where, in the opinion of someone else, he was not incapacitated.

4786. Do you understand that that was based entirely on a difference of opinion between the doctor and the superintendent as to the state of the man, or do you think that it was based to some extent on a different interpretation of the conditions entitling people to benefit?—My impression is that, in a very large number of cases, it is due to a difference of opinion between the doctor and the individual who was criticising him, as to what constitutes incapacity for work. In a few cases, undoubtedly, the doctors have given certificates where everyone would admit that the man was not really incapacitated from work. I think these cases are comparatively few. But most of the difficulty has arisen from a real difference of opinion as to whether a man was incapacitated or not.

4787. That is not quite what I wanted. The Act says in section 8 that persons are entitled to sickness benefit whilst rendered incapable of work by some specific disease, or by bodily or mental disablement. How do you interpret that? Do you think it means incapable of doing any work, or incapable of following the calling on which the person is then engaged?—Do you mean in my capacity as secretary to an approved society, or as a lawyer? As a lawyer I should say undoubtedly it means "incapable of doing any work," but if I were asked to interpret it as a secretary of an approved society, I should give a different answer.

4788. I asked how, in fact, your society interpreted it?—In general, reserving for myself the right in special cases to use the legal interpretation, I interpret it as meaning "unable to follow his ordinary occupation."

4789. That is how the society, in fact, interpreted it?—Yes.

4790. So that if you found a woman whose ordinary work was working in a mill, doing the family wash and stopping at home with a sickness certificate, you would not think that there was anything wrong about that?—Now you are asking a question which involves our rules.

4791. No, I am asking how, in practice, interpreting the rules, you regard a case like that in view of the answer you have just given me. It is an easy question to answer?—No, I do not think that you can ask me to answer that, apart from the rule dealing with conduct during the receipt of sickness benefit. If a society has a rule which says a member shall not do any work during sickness, you cannot divorce that altogether from the question as to the incapacity for work.

4792. Let me put it another way. Supposing a woman is capable of doing the family wash, but incapable of standing at the loom, what is your view then?—As that case cannot arise in my own society, I think you ought not to ask me to answer it.

4793. Turning to the practice of your own society, what is the number of your rule about conduct during sickness?—The only rule we have dealing with the question is section 28 of rule 11, "No member shall follow any occupation while in receipt of sickness or "disablement benefit."

4794. When you get to section 32 of the same rule, that completes the whole matter. It is the whole code of what a person is to do, and what he is not to do, while he is sick?—Yes.

4795. You would not say the family wash was following an occupation?—I have not had occasion to decide that particular problem, so I cannot say in advance. I do not know that I ought to decide the question.

4796. What I really want to know is your practice. Some societies tell us that that if they find somebody washing they then and there suspend her from benefit, on the ground that she is breaking the rules of the society. That is only the form of the thing. The question is whether, looked at from the point of view I am really now discussing—the attitude of the doctor—the doctor is right in giving a sickness certificate to a woman who is, on the face of it, capable of doing the family wash and does it. The form in which it comes up is a breach of the rule as to behaviour during sickness, and the question we are asking, and what the doctors are asking is: "Ought we to give certificates where the woman is capable of doing the family wash, but not "capable of standing at the loom?" I wanted your experience and knowledge in giving the Committee the view of the societies generally. Can you give us some sort of lead on that?—You are asking me really to say if I were a doctor whether I should give a certificate?

4797. No, what view would the society take of the matter?—If you must have my opinion, I should simply say that I should take that as a factor in estimating whether it was a genuine case of sickness—not as a conclusive factor, but as a factor.

4798. The society, and not the doctors, are the people who in fact, decide whether sickness benefit is to be paid, are they not?—Yes.

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4799. The certificate of the doctor is only the evidence on which the member supports his claim?—Of course, a very important part of the evidence.

4800. But not evidence which is not capable of being displaced?—It is not irrefutable evidence. It raises a very strong presumption.

4801. Do you not think that it is of very great importance that the doctors generally should have a clear conception of what it is that they ought to look at, when they are giving their certificate?—Yes, I do.

4802. And do you think in instructing them one ought to instruct them to look at the occupation only, or to look at the general health of the person. Supposing this Committee thought it desirable to recommend among other things, that a notice should go out to the profession explaining clearly what their duty was in regard to the matter—do you think if we sent out, or recommended other people to send out, such a notice that we should recommend that they should have regard to incapacity to follow their occupation, or incapacity to do any reasonable work—I am not talking about dusting or making tea? May I put it another way? Supposing you get this sort of case, which you will get as time goes on. A man becomes injured in circumstances which do not give rise to a claim for compensation. He is, at the time when he suffers the injury, an engine driver, and he loses his leg. He can never follow the trade of an engine-driver again, and, in a sense, he is incapacitated for life. That particular calling is shut off from him. Still the time will come, when he will be able to get about, and when the time comes, he will be able, perhaps, to do some other work if he can get it. What do you think the doctor ought to certify? The time will come when the doctor will be in a difficulty. First of all, the man is lying in bed with his leg chopped off, and cannot do anything. After a time he will get up and walk about with a wooden leg. At what time should the doctor cease giving a certificate that he is incapacitated?—In that case, as soon as he is able to do any ordinary work. The difficulty is removed by the fact, that he has permanently changed his occupation. You are not confronted with quite the difficulties you had in the case of a man who was only temporarily incapacitated, and intended to return. In this particular case the course is clear.

4803. I began with what I regarded as an easy case. Come now to the more difficult case where he does not lose a leg but suffers some injury, or suffers some disease which may be expected to recur continually, so that really he might physically go back to be an engine-driver, but there is no practical possibility that he will do so. Suppose he has something the matter which the doctor thinks will always recur, if he goes back to the plate?—I will give you my opinion if you care to have it. You want the case of the engine-driver. With all the facts before me, I should have to decide whether, in my opinion, he had ceased to be an engine-driver. If I came to the conclusion on all the facts that he could no longer be regarded as an engine-driver, if he is incapable of following his occupation as an engine-driver, but is capable of following another occupation, he is not entitled to sickness benefit. If I came to the conclusion that he might still be regarded as an engine-driver, and we decided to carry out the idea of a man being entitled to benefit where he is temporarily incapacitated from following his ordinary occupation, I should say he would be entitled to benefit.

4804. Now, do you mind coming back to the woman at the wash-tub, which is considerably the more difficult case. We shall all be able to apply common sense to other cases which arise, but this raises difficulty. You find a woman unable to stand at the loom, but able to work and wash. What is the doctor to do? Is he to give her a certificate or not?—It is a question of difficulty. If she is capable of doing a whole day's work at the wash-tub, she is capable of work; if she does a little washing for an hour or two, I should put it on a different footing.

4805. Only another question about the doctor: have you noticed, your membership being evenly spread over the country according to density of population, any difference in the number of certificates

that come forward, which bears any relation to any different method of payment for the doctor. As you know, doctors are all, practically speaking, paid on one basis all over England, except in Manchester and Salford?—And they were in Kent.

4806. They are not now?—I have had more experience with regard to Kent than any other district; I have had a great many complaints from one particular district, and it was attributed by some of our representatives there to this very cause, but as the position was complicated by another factor of a totally different character in that particular district, I did not regard it as being at all conclusive on the subject.

4807. You hesitate to draw an inference?—Yes.

4808. But still, you noticed the fact?—Yes, I had complaints from Kent, and I think some of our representatives in Manchester and Salford have suggested that it is an unsatisfactory way of paying the doctors, but I have no direct evidence to offer on the point. I can only say that statements have been made, without any facts or figures to support them.

4809. Do you mind turning from that to the actual machinery of your society in dealing with the claims for sickness benefit. Who is it who pays the sickness benefit?—In most cases it is paid first of all by the local agent.

4810. Direct to the insured person?—Yes.

4811. At the house?—Yes.

4812. How is the claim for benefit made? What is the actual procedure?—Notice is given to our agent of the illness by the insured person.

4813. In writing?—Yes, on a form of notice of illness.

4814. What we call a declaring-on note?—It is a notice of illness—a preliminary notice of illness.

4815. What does that say? "I am ill," or what? What is the purport of it?—It gives the date when he became ill.

4816. Is that accompanied by the doctor's certificate?—It may or may not be; it is not necessary. Of course, the certificate is issued before the claim is paid, but the mere notice is sufficient in the first instance to cause our agent to visit the house and complete the claim form.

4817. That is the idea; he helps the insured person to draw up the form of claim; is that so?—I have the instructions issued to the agent in regard to doing this. Having received the notice of illness, the agent should have the application for sickness benefit completed; as soon as the agent receives the notice he visits the case, and makes the necessary arrangements for completing the claim. If the insured member is only just ill, he arranges to call again when there will be a claim, or when the claim may be expected.

4818. Notice of sickness is supposed to be sent directly he falls ill, irrespective of whether the three days have elapsed or not?—Yes.

4819. No one fills it up unless he thinks the member is going to be ill for more than three days. They do not bother to tell you if they see the doctor, and it is something which will not keep them away from work?—I cannot tell you as to those who are ill, and never give a notice; in the nature of things we only know those whose notices mature into claims. If a man is ill without giving us notice, and it does not mature into a claim, we shall never hear of the case.

4820. Do you get a number of notices of sickness which are never followed up by a claim for benefit?—I cannot tell you.

4821. That notice of claim having been received, the agent goes round. Does he take a "declaring-on" form with him, or is it already in the possession of the member?—He takes it with him when he goes to the member.

4822. And helps him to fill it up?—I have no doubt that is so in most cases.

4823. And at that time I suppose the insured person has already furnished himself with a doctor's certificate?—He ought to have done so, of course. He ought to have claimed the certificate from the doctor, when the doctor visited him.

4824. What does the agent then do? Does he take it back to his office, or what does he do with it?

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[Continued.]

—I presume he takes it back, and keeps it until such time as the amount will be due to be paid. Then he will visit the insured person, and obtain the certificate certifying incapacity up to that time, and if that is in order, he will pay the claim then.

4825. He does all that without reference to the central office?—Yes.

4826. And without reference to the superintendent?—Yes.

4827. He always has enough cash by him to be able to deal with these claims?—He has the cash belonging to the company in his possession, and has authority to apply that.

4828. How soon does he report the case to any central authority?—He reports it immediately after he has paid it, or a day or so, afterwards; certainly some time during the week. He goes to the local supervisor or our assistant superintendent, and takes him the forms, and gets from him a voucher authorising him to deduct from the company's funds in his hands the amount he has paid away in the claim.

4829. Then does he forward the certificate and the claim, and give it to the supervisor?—To the supervisor, who himself examines the claim to see if it is satisfactory, and if he finds it satisfactory, he issues the voucher, and sends it up to the chief office, together with his schedule and weekly statement of claims.

4830. Suppose he does not think it satisfactory, what does he do then?—In most cases he investigates it himself. If his investigation turns out to be satisfactory, he would pass it as satisfactory; if not, he would refer it to the chief office.

4831. What sort of things would put him on inquiry so that he would investigate? If he got a certificate which simply said "anæmia" would he consider that a fit matter for investigation?—I should imagine he makes inquiries on the subject, and if he is satisfied that the person is really ill, he passes it as satisfactory. If there were any doubt about it, he might have an independent medical examination. In general, unless there was anything suspicious on the face of it, or the agent himself noticed anything suspicious in the surrounding circumstances, he would pass it on the medical certificate in the first instance. If the chief office considered it unsatisfactory, they would have it inquired into.

4832. Supposing there was nothing on the certificate at all?—No cause of incapacity?

4833. Yes? There must have been many cases in the early days?—The agent is instructed in the first instance to return the certificate, and tell the insured person to send it back to the doctor.

4834. Supposing the only thing written was the word "illness"?—There again it would be returned in the first instance to the insured person as incomplete, and sent to the doctor to be completed.

4835. Without any personal communication with the superintendent?—Oh, yes. We regard it as the insured person's duty to provide us with a proper certificate.

4836. What are the things which would make the assistant superintendent query it? You have been suggesting various things, most of which the agent would do himself. What would put the superintendent on inquiry?—I imagine the assistant superintendent is mainly guided by the cause of the incapacity. If it was a disease, which, in general, did not completely incapacitate, he would examine the agent on the subject, and if the agent was not satisfied, the assistant superintendent would make further inquiries. If the agent was satisfied, I think it probable that, in most cases, the assistant superintendent would pass it, as far as he was concerned, as satisfactory, and send it on to the chief office.

4837. Then supposing he was not satisfied, would he have any power to order an independent medical examination?—No.

4838. He sends the certificate to the chief office. Does he ever say that he has his own reasons for stating that he is satisfied, but does not know whether he ought to have been?—He would not put it in that form.

4839. I mean, does he draw your attention to any circumstances of suspicion in the case?—I think he

would either say it was unsatisfactory, and, therefore, call our attention to it, or pass it as satisfactory. He would not say, "I have paid it, but am somewhat suspicious about it." We do not get cases of that sort.

4840. He would either pay, and say no more about it, or send it on to you?—If the agent had not paid it, and the assistant superintendent was dissatisfied, we should have to deal with it subsequently.

4841. When it reaches the head office, does it come before you?—No.

4842. Before whom?—The member of the staff whose duty it is to examine these. We have 60,000 or 70,000 claims a week, and have to distribute them over a large number of people.

4843. Do they examine them to see whether, in their opinion, they are satisfactory?—Yes.

4844. What do they do with those they consider unsatisfactory?—If a case is unsatisfactory, we get a report from the agent, and we send it on to the superintendent to investigate.

4845. A clerk, I suppose, examines these things, and he would throw out a certain number as being unsatisfactory in his view. Whom do they go before then? Who makes up his mind, that they are to go to the superintendent?—The supervisor of the department.

4846. They do not go up as far as you?—Only if there is some serious difficulty as to whether it should be paid or not, and there are particular circumstances.

4847. What is the sort of thing which attracts the attention of the supervisor of the department?—Again, it would be partly the cause of the incapacity, but with regard to most of these, we could hardly feel in a position to reject on the ground that the case does not usually completely incapacitate at the outset.

4848. These things relate more to continuing on certificates than to the original certificate?—Yes; it is difficult to dispute, or to raise a difficulty at the first payment where you have a certificate certifying that the member is, in fact, incapacitated.

4849. But after a certain number of weeks you begin to think, even if it was good enough to start with, it is not good enough now?—If he has been ill a few weeks it is probably time, either that he recovered, or that the disease took a more serious turn.

4850. If you have indigestion for a month, it is just as well to stop it?—Exactly. You have in my outline of evidence a statement of what we do. I do not know that I can usefully add much to that. It is the practice of the society to examine afresh the papers relating to each case remaining on the funds every four weeks. If there is any doubt as to whether the illness, as stated, is such as to cause the member to be incapable of work for so long a period, special investigations are made through our local representative.

4851. What are these special investigations?—It means that the case is put in the hands of the superintendent of the district. He goes round to see the people, and forms his own impression as to how things are going on.

4852. Supposing the impression is unfavourable, would he order a special medical examination?—No, he would inform us of his impression, and we should have the case independently examined.

4853. All independent examination is done on instruction from the head office. It would come from you, or from some person responsible to you?—The principal in charge of the geographical division; they do not come before me. We have laid down general instructions as to the circumstances in which medical examination is resorted to.

4854. How many cases are there in which you have ordered a second medical examination in England?—I have not the total number of examinations for the whole of the country. I cannot tell you.

4855. Who are the people who carry out these medical examinations?—The first choice, as a rule, would fall upon the doctor, who is also acting for the company in his capacity of medical referee.

4856. Who chooses the man? Do you give a direction from the head office, as to who it is to be, or

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is there someone regularly appointed who always acts?—No, it often happens that there is one particular doctor who acts more often than the others.

4857. Who chooses him in the particular case?—It is not a matter I have very much to do with personally. Sometimes it is done from the chief office, but very often by the local superintendent, who is in close touch with our medical referee.

4858. There are no people who are retained for the purpose?—Not at present. That is a matter which is receiving consideration. It is not possible always to choose a man from the chief office, because we cannot know for certain who is prepared to undertake it; some doctors object to making these independent examinations.

4859. These people are paid by fee?—Yes.

4860. Have you found difficulty in getting people to undertake it?—In general, I think cases are very few where we could not get it done on terms by any doctor. A few doctors, I think, rather object to doing this sort of work, but in general, almost any doctor in the district will do it on terms.

4861. When you talk about terms, you mean pecuniary terms?—Yes, pecuniary terms.

4862. What fee do you offer?—We pay 5s. for an examination.

4863. And you mean that it is suggested by the doctor that that is not enough?—Yes.

4864. Do you find that that objection is put forward in certain districts, or is it all over the place?—At present it is only in certain parts of the country. You know the resolutions passed by the British Medical Association on the subject. It is due to that that the difficulty has arisen.

4865. Are there a great many places where the difficulty has arisen?—No, I have a list. I may tell you from memory some of the places. Lancashire is one.

4866. All over Lancashire?—Nearly all over, yes.

4867. Does that still hold good?—Yes, as a matter of fact it is quite a recent development of the situation. Until recently there was no difficulty at all in getting examinations made all over the country at 5s. Then the British Medical Association passed a resolution that, in their opinion, doctors were not justified in making an examination at a less fee than 10s. 6d., and a number of local medical associations, particularly in Lancashire, have passed resolutions practically agreeing that in their districts they will not make such examinations except on the terms named. I have a note here. Taking our geographical divisions as they come, working down from the north, there is a difficulty in the West Riding of Yorkshire, and in the Lancashire and North Cheshire district. A very large number are refusing it in these areas. In Leicester and Mansfield there are difficulties. There are difficulties in one or two places in the Midlands, and in one or two places in the Eastern Counties. There is no difficulty at all in the London district. There are difficulties in one or two districts in Surrey, and in one or two districts in Devon and Cornwall. Speaking generally, we can get the examinations made at the rate I have named, but as far as I can form an opinion, the difficulty is likely to be an increasing one. It is not a real difficulty at present, but it is one which seems likely to develop.

4868. Are the gentlemen who are asked to carry out these examinations doctors on the panel, or doctors off the panel, or are they either?—Either. In some cases they are panel doctors, and in some cases they are not.

4869. You have not had the objection put forward, that it was inconvenient professionally to deal with somebody else's case?—I have had one or two cases in which it has been suggested that one panel doctor does not care to have another panel doctor reporting upon his case, and that he would rather have it reported upon by a doctor not on the panel.

4870. Have you taken any steps in that case to get a doctor not on the panel?—I have given instructions to have the person examined by a doctor not on the panel.

4871. You thought that it was a reasonable, objection to take?—*Prima facie* it would seem better to have a doctor not on the panel.

4872. I was going to suggest whether it would not be an advantage in all cases to have a doctor not on the panel?—There are advantages, but I can see some disadvantage in view of the ill-feeling between the two classes of doctors.

4873. What do you see on one side and on the other?—One imagines that a panel doctor would be a little more likely to report leniently on the case of a brother panel doctor. On the other hand, one imagines that whilst the doctor, not on the panel, might be a little more independent, at the same time there might be a little more friction over the case. Those are the difficulties which present themselves with regard to the matter.

4874. I suppose these are rather special cases, and I was thinking that there might be an advantage perhaps in getting gentlemen who had special knowledge of the ailments alleged to be dealt with?—I have not taken any steps with regard to that. We do so in workmen's compensation cases, but we have not had occasion, with regard to ordinary sickness claims to have those specially qualified in particular diseases to report.

4875. Where are these examinations carried out, at the surgery or at the patient's home?—The member is instructed that he will be required to submit to medical examination, and he is instructed, if he is well enough, to go to the doctor; but if he is not fit to travel, we make arrangements for him to be examined in his own home.

4876. You pay 5s., whether it is at the doctor's surgery or at the patient's home?—Yes.

4877. Is an opportunity given to the panel doctor to be present on these occasions?—I believe in general it is, but it is a matter rather for the doctor making the independent examination. According to professional etiquette, he does usually, I believe, communicate with him.

4878. You leave it to him?—Yes.

4879. You do not pay the panel doctor any special fee?—No, he can do as he likes about it, and, as a matter of fact, I do not think that he does attend.

4880. Will you now give us the result of these examinations?—Yes, I have particulars of cases taken from all parts of the country. Out of 1,163 members who were required to submit to medical examination, 450 declared off without submitting themselves to the examination, and 713 were examined. Of these 332 were certified by the doctor to be capable of work, and 381 were certified to be incapable of work.

4881. The number of cases given, 1,163, is a sort of random figure?—Yes, they are cases taken from all parts of the country.

4882. Not sorted in any way?—No, just recent weeks.

4883. Have you carried out a system of medical examination from the beginning?—No.

4884. When did you start it?—I should think that we started it in a tentative way about May or June. We have developed it considerably since.

4885. Were you induced to start it in May or June by reason of any heavy sickness experience you were having then, or which you thought was coming, or was it simply that, until then, you had not had the time to organise it?—Until we had some experience of the claims, we did not know that there would be any necessity for it. We then came to the conclusion that it was advisable to ascertain whether all the claims were genuine. We resorted to it, and we have gradually developed it.

4886. You cannot give us the result of all the examinations since you started. Can you give us the results for any month or for two months since the system has been in full blast?—I think these figures give the most recent results.

4887. You cannot tell us to what actual period they relate?—No, I do not know that that would teach anything except that they relate to recent months. These are the most recent figures, and all that would happen would be that we should add to these figures.

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I do not think that it would give any further information.

4888. How could tell us the exact period to which they relate?—No, I do not think that I could.

4889. I am now going to ask for advice. What kind of arrangement with regard to medical referees would you prefer in the future? Assuming that you have come to think that some form of second opinion is necessary in the administration of the medical benefit—am I right in that?—Yes.

4890. Supposing that to be so, would you rather go on as you are, employing your own people, or would you rather come to some arrangement in which others share?—I am strongly of opinion that medical referees should be appointed in connection with every insurance committee.

4891. Does that mean that you would rather have an arrangement in which others share?—Yes, share in the use of the doctors. You are not touching the financial arrangements?

4892. No. You would like the medical referee appointed by the insurance committee?—An appointment of a public nature, so that the medical referee would be altogether dissociated from the societies.

4893. You would not mind making some payment towards the expenses of that body, if it were the insurance committee? You do not exclude that by what you are saying?—You are asking me what my society would do?

4394. If you do not want to answer the question, do not, but you have made a statement about not paying?—I have my own views in the matter. If the necessity for medical referees arises, the question is whether the State ought not to stand it. I think that the State ought to be responsible for it.

4895. That is a very proper view for you to take as the secretary of an approved society?—Apart from that, if I had to choose between the present system and such a system as you suggest, then, if I could get a doctor in the guise of a public official to do these examinations at a cost not greater than the present cost, I should say that it would be advantageous to use a doctor attached to an insurance committee, and contribute towards the cost. I am expressing my own view now. I do not know what my society would say.

4896. Have you thought whether it should be the insurance committee, some voluntary association of approved societies, or the Insurance Commission? Have you any preference for any one of those three?—Yes, I have. My preference is for the Insurance Commissioners. I think the more detached the individual is the better. I think that a doctor appointed by the insurance committee is better than a private doctor, and that one appointed by the Commissioners is better even than that.

4897. Again, you are expressing your own view?—Yes.

4898. You have no warrant to speak for the society?—No.

4899. You have described how the agent goes round, and sees the person and pays the benefit. Is there any sick visiting done besides that done by the agent, and possibly by the assistant superintendent?—Yes, we are gradually experimenting.

4900. Would you mind telling us the exact nature of the experiments and the results?—We are experimenting with two methods. First, with a whole-time sickness visitor, and secondly, with what we describe as the panel system of sick visiting. In every district where that system is in force we arrange with some individual to visit cases, which he or she is called upon to visit, at so much per visit. There is no standing engagement, but wherever we want a visit paid in that district, that individual goes and makes it on those terms.

4901. Do you mind telling us what those terms are?—The difficulty is that they have necessarily to vary in each district.

4902. Could you give us a range?—Where there is no distance to go, I think that 6d. per visit is a suitable rate.

4903. What kind of people are employed for the purpose?—Individuals are recommended as suitable by our local representatives.

4904. Are they nurses?—Not for the panel system. We have for our whole-time visitors a number of trained nurses.

4905. As regards the panel system, are the visitors men?—Men and women.

4906. How many are there altogether?—I am afraid I cannot give you the information. Some little time ago we had 58, but we have been developing it.

4907. Can you give me any idea what kind of things these 58 people do, when they are not visiting?—I could have got you the information, but I have not brought it with me.

4908. It is interesting to know who are the people your society finds useful to employ for the purpose?—I have no doubt that I could get the information, but I had no idea that such information would be asked for.

4909. Could you tell us, roughly, the sort of things that they do. Are these people on weekly wages?—I could give you some general idea of their status, because we have particulars of all of them at the office.

4910. Whereabouts do those 58 panel people operate?—Mainly in Yorkshire, and in Lancashire to some extent. We have a fair number in Lancashire, but there we are also using the whole-time visitor.

4911. You say Yorkshire?—Yes, the West Riding mainly.

4912. The industrial parts of the West Riding?—Yes.

4913. How many have you of the whole-time people?—The last return was 26.

4914. Have you any idea how many women there are among them?—No. I should have to try and guess. I should say that the proportion is at least three or four women to one man.

4915. What would the women be by profession?—Mostly nurses.

4916. People who have gone through a hospital training?—Yes.

4917. What are the men?—One or two of them are retired officers of the company.

4918. But are they people with some medical or nursing experience?—Oh, no, our men have no medical or nursing experience. It is only the women sick visitors who have that.

4919. Is their duty supposed primarily to be detective work, to find out whether the rules have been broken, or is it in the nature of helping the people to get well, or is it a mixture of both?—I should say entirely sick visitors. I have no doubt that if they saw the necessity for giving a word of advice, they would do so, but they are not employed as nurses. It is a mere coincidence that they are nurses. They are employed as sick visitors.

4920. They are employed to protect the funds of the society?—Yes.

4921. I gather that the scheme has not gone on long enough for you to express any confident opinion which of the two systems is the best, or what are the results of either?—I do not think that I should be justified in saying very much on the subject. Our system is not a close system of sick visiting, where every case in receipt of sickness benefit is visited every week. It is a system rather of visiting those cases of which we have some reason to doubt the genuineness.

4922. Do you look forward to getting such a system as will result in one visit being paid to every person every week, or do you think that that is beyond what could be reached?—It depends whether we come to the conclusion, from our experiments, that such a system would pay us financially.

4923. You do not really know whether it would?—I am rather doubtful whether sickness visiting on that extensive scale is going to pay for itself, and we approach this a good deal from the financial point of view.

4924. To whom do these men and women make their reports?—They make their reports to the local superintendents.

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4925. And does he give them their work week by week?—Yes.

4926. And from day to day?—Yes, in general, but in London we work it from the chief office.

4927. There and elsewhere they pick out the actual cases they are to visit, and say, "You go and visit "Mrs. Jones in such and such a place"?—Yes.

4928. I suggest that up to the time that you first employed these people for the purpose you relied to some extent on the agents of the company?—We rely upon them as our first line of defence for checking any claims that ought not to be made.

4929. You still rely on them?—Yes.

4930. Have you found any difficulty arise from their double duties? They are trying to get premiums for your life insurance business, and at the same time they are trying to keep people off your sickness benefit fund?—I have had an opportunity of speaking to some of our men in some parts of the country, and have shown them that there is no real conflict of interest. The interests run on the same lines.

4931. We should all agree with that in the long run, but everybody would not see it?—I think that our men do.

4932. You think that their mind is so composed that they will say, "You have got to come off the fund," although they know that they have got a small premium at risk?—Yes. I have instances in which it is done. I find that they are very efficient guardians in that way.

4933. In all this business, the funds that you are guarding are not the funds of the company, but the funds of the people who are insured?—Exactly.

4934. You have described very elaborately the machinery for the investigation of doubtful claims. Perhaps I can take it very shortly that the investigation is more strict with regard to continuing than with regard to original certificates, and that it becomes more stringent as the illness becomes longer?—Yes.

4935. What experience have you had of those people who have not been satisfied with the decisions that have been come to with regard to striking them off the fund, and who have in fact appealed. Besides all this, which is more or less a matter of machinery, people have got a right of appeal to some central body if they are dissatisfied. Do you find that those things are put in operation?—No, we have not had a single case of dispute which we have not been able to settle satisfactorily.

4936. It is no use my asking you then what has happened in such cases, because there has never been any?—No, not so far as I know. You are referring to disputes about sickness claims?

4937. Or expulsion?—That raises another matter, because expulsions often arise from other causes.

4938. Did you begin by admitting people on a form which they filled up without a medical examination?—Yes.

4939. The form asked them about their health and the health of their relations and so on, but it was not vouched for by anyone but the persons?—No.

4940. Or did the agent give you any information?—The agent signed a declaration that he was satisfied that the applicant was a suitable person. There was a short declaration at the foot of the application form.

4941. There is nothing on the actual form itself which shows that the agent signed it?—That is not necessarily a part of the application form. It is a certificate. I will read it: "Dear Sir, I have this day personally seen and questioned the within applicant and believe that the answers recorded are truthful and correct; the applicant appears to be in good health, of the age stated, free from any physical defect or infirmity, and of temperate habits. The family of the applicant is not consumptive. I therefore recommend the committee of management to grant the application."

4942. What information have they in their heads which enables them to sign such a certificate as that?

—There is the fact that they have seen the individual and in all probability the man himself, or the woman or some other members of the family are insured, and he has known the family for years. There is no one better able to speak of the characteristics of the individual than the agent.

4943. But you admitted a great many people who had not been insured with you before?—A considerable number, but I should imagine that a large number of those who became members of our approved society were policy holders.

4944. Did you not admit a very large number who were not policy holders?—I have no information on that, but we place no restrictions—

4945. I know, but do you not yourself think that you were admitting more?—I should be a little doubtful in view of the fact that nearly the whole of the industrial population are insured in industrial insurance companies and societies. I should be doubtful whether they were not nearly all insured in one or other of the insurance companies.

4947. I should have thought that there was a fair number among them who were not insured. I want to know what information your agent had when he signed that declaration?—At least it must have gone as far as this, that he had seen the individual at the time.

4948. I might look at millions, and I should not know whether they were of temperate habits, unless they were in a certain condition when I saw them?—It does require a certain amount of skill in the matter, but there is no one who knows better the condition of the people in the neighbourhood than the insurance agent.

4949. Having got all these things filled in and the certificate, what reason have you to think that on the whole you have got reliable information? How many cases have you had to question on the form of application. Any great number?—A fair number.

4950. What sort of number?—Certainly some hundreds, possibly more, but I have no figures at all to show that. I have only the cases in which we have been compelled to take action.

4951. In how many cases have you been compelled to take action?—Twenty-seven cases altogether of expulsions—of members penalised.

4952. Expulsions are really what I want?—Expulsions are for other causes than withholding material information or entry.

4953. What other causes?—Causes connected with sickness claims—particularly forging the medical certificate.

4954. Can you tell us how many expulsions there have been in connection with the proposal form?—I only appear to have about four expelled for withholding material information. I ought perhaps to say that we have only done it in a bad case, where the member has wilfully withheld the information in an attempt to deceive the society.

4955. You are only empowered to do that?—It must be a bad case where the member has attempted to deceive the society. In some of these cases we have given the member the opportunity of voluntarily withdrawing, and some have done so. If it is a bad case, and the man refuses to withdraw, we have to exercise our power of expulsion, but we have only had to do so in four cases.

4956. On whose decision has that been done?—The committee of management on the recommendation of an officer. It must be the committee of management who expel a member.

4957. Has the member an opportunity of being heard by the committee?—Yes, the member has fourteen days' notice in which he can choose whether he will be heard by the committee, or state his case in writing, or appear before a person appointed by the committee to investigate the matter.

4958. Has there been any appeal from the committee?—No.

The witness withdrew.

SEVENTH DAY.

Wednesday, 5th November 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT:

SIR CLAUD SCHUSTER (*Chairman*).

Mr. WALTER DAVIES.
 Dr. ADAM FULTON.
 Miss M. H. FRANCES IVENS.
 Miss MARY MACARTHUR.
 Mr. WILLIAM MOSSES.
 Dr. LAURISTON SHAW.

Mr. A. C. THOMPSON.
 Mr. A. H. WARREN.
 Mr. A. W. WATSON.
 Dr. J. SMITH WHITAKER.
 Miss MONA WILSON.
 Mr. WALTER P. WRIGHT.

Mr. ALEXANDER GRAY (*Secretary*).

Mr. A. R. BARRAND further examined.

4959. (*Chairman*.) I had on the last day come to the end of what I thought arose out of the statement which you submitted to us, but before the other members of the Committee begin to examine, I would like to know if there is anything which you would like to add?—I do not think so. No doubt some further questions will be asked concerning the same matters.

4960. (*Mr. Davies*.) In the evidence which you gave us the other day, you said that the general attitude of the medical profession was quite satisfactory?—I should put it slightly differently. The attitude of the medical profession generally is satisfactory, but there is a slight difference of meaning between the two expressions.

4961. Can you give us the reasons which led you to come to that conclusion?—I was under the impression that I explained that it was the result of inquiries made all over the country, and I think that I gave, roughly, the numerical results of those inquiries.

4962. It is only from these inquiries from your representatives that you have come to this conclusion? You have not come personally into touch with the doctors at all?—I have not come personally into touch with the doctors, except in a few isolated cases, but I have other information, negative evidence, in the shape of absence of complaints. I had a considerable number of complaints in the very early days from my representatives in different parts of the country as to difficulties with the doctors, but those complaints are conspicuous by their absence at the present time.

4963. What was the nature of the complaints made at the beginning?—There were a great many complaints about the refusal to give the cause of incapacity, and in one or two districts, there were complaints generally that doctors were giving certificates too readily.

4964. The complaints then were not as to anything in connection with the efficiency of the service, but more in reference to the supplying of declaring-on, or continuing, or declaring-off certificates?—We had some complaints in the early days in those districts, but we have very few now.

4965. I think you said that in many instances sufficient attention was not given to the difference between incapacity for work and ordinary illness. Can you give us any evidence as to the number who were certified as not fit for work, when they were fit for work?—No. I should not have much evidence of that. I could produce evidence of certain cases which were certified up to a certain period for incapacity for work which, when we had the individual independently examined, were certified to be capable of work, but that is no real evidence on that particular point.

4966. Have you stated the number of those who have been certified as incapable of work, who, you think, should not have been?—I do not think that I have given any evidence on that particular point. I have no

statistics to show the number of people who were certified as unfit for work, when in our opinion they were fit for work.

4967. You cannot give us any help with regard to that?—I am afraid that I cannot.

4968. Whether it is 1, 5, or 20 per cent. of the cases?—No.

4969. In your evidence you say that it is considered in many instances that sufficient attention is not paid to this distinction?—That was based on the experience of a considerable number of cases of debility, anaemia, and illness of that description, and though we are not in a position to say that they did not incapacitate from work in those particular instances, yet as a matter of general knowledge they do not as a rule incapacitate from work.

4970. You used here the expression "many instances." I was wondering how far that expression might carry us, whether it would be 1, 5, or 20 per cent., or a negligible quantity; but you cannot help us?—I am afraid I cannot help you in the matter of exact statistics on the point.

4971. Then you say in your outline of evidence that "our experience leads us to conclude that certificates of incapacity are given more freely where payment of doctors is made per visit, than in districts where the capitation system is adopted." What experience do you refer to?—I refer to the complaints by our representatives in those districts, that doctors were giving certificates freely, and in more than one instance they compared the two things, and suggested that it was due to the method of medical payment adopted in those districts.

4972. By what comparison did they come to that conclusion?—In the nature of things, of course, they could not compare them with the districts in which the capitation system prevailed, because they themselves had not that experience.

4973. Then the people who expressed that opinion, expressed it simply as their opinion without having any definite knowledge upon which to base that opinion?—Yes, I should say so.

4974. That does not help us much?—I am afraid it does not.

4975. It does not help us as to the difference between the capitation system and the system of payment by visits?—I am afraid it does not. In the nature of things it is very difficult to get a comparison, because the general conditions of health vary so much in different districts.

4976. This question affects districts in which I am interested, and I thought you would be able to give us some comparative data, but it is not possible?—No. No comparison of sickness rates, in places where it does and does not prevail, would show anything on which we could depend. The sickness rate in Lancashire, and the sickness rate in a country district

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down in Sussex where a different system may prevail, would tell nothing at all.

4977. It would help us by letting us see as to whether you had had more doubtful claims placed before you from an area where they pay by attendances as against an area where they pay by capitation?—The only information which I can give upon that point is that in one particular district which I think I had better not mention, where that particular system prevailed, we did have complaints in regard to a large number of claims, and I think some of them were justifiable, but there were other circumstances altogether unconnected with the system of medical benefit which, to my mind, accounted for some of the complaints received, and therefore we could not attribute the result to the system of remuneration of doctors on the panel.

4978. What would cause claims to be regarded as doubtful?—Where we say there is a doubt, it nearly always arises from the nature of the incapacity, except that if my sickness claims were very heavy from a district where I knew there was a large amount of unemployment, or short time was being worked, I should regard that as a suspicious circumstance.

4979. Does that obtain at the present time?—It obtained in this particular district at that time, but I do not think it obtains to the same extent now.

4980. Then you cannot help us with regard to the number of doubtful cases that you had from that area?—I am afraid not.

4981. If you had a larger number of claims from a district in which there was payment by attendance, than from a district in which there was payment by capitation, would you assume because you had that larger number of claims that it was because of the system of medical benefit?—No, but I might assume it to be so if, on comparing that district with industrial districts similar in most respects, I found a great difference in the sickness claims, but the mere fact that claims were heavy in a particular district would teach me nothing with regard to medical benefit.

4982. Would it be possible to assume that the payment per attendance system had regard more to the insured person than to the benefit of the society, and thus the insured person would be getting a greater benefit out of that system than by any other system?—Of course, that is one view to take of it, but I am not prepared to say whether I should take that view. It is too complicated with other considerations to make it safe to express an opinion.

4983. With regard to compensation cases, can you say how many cases in which the insured person appeared to be entitled to compensation, have been assisted, and with what results?—We have offered to all our members to take up every case under the Workmen's Compensation Act, or the Employers' Liability Act, or at common law. I have some particulars here; they do not tell me the number that we have taken up, but we take up every case in which our member desires us to take it up.

4984. You cannot say how many cases you have taken up for compensation up to the present time?—I have not got those statistics here, but I remember that in conversation with our solicitor, two or three weeks ago, he told me that he dealt with 200 cases in one week on behalf of our society.

4985. Could you help us by saying what practice you adopt with reference to those cases, whether you claim the right to be heard in the first instance, and to have some voice in the final agreement as to amount, if it is arranged between the parties concerned; or do you let the judgment be given in the court before you appear at all?—No; the vast majority of these cases never go as far as the court; we settle them directly with the insurance company that stands behind the employer. An enormous number of cases are settled in that way. Though we take up all these cases on behalf of members, we rarely have occasion to go into court with the matter. The cases going into court form an insignificant number of the cases we take up on behalf of our members.

4986. Suppose one of your members had taken up his case with the employer, though the employer had

fixed up with the insurance company or their representative, and the amount, agreed upon between those parties without having consulted you, was less than the risk that you think should have been covered, do you accept that decision, or do you ask for a larger sum, or protect your member in any way by getting an adequate amount?—Where we have the opportunity, we take every step to protect our member by getting a larger amount, but in many of these cases we are not able to interfere, if our member chooses to settle for a less amount without consulting us. I believe it is a doubtful point whether under section 11 we have power to intervene. You are probably as well aware as I am, that there are serious legal difficulties in connection with section 11 on that point. There are other difficulties, but wherever our members have been asked to settle we have tried to get them the maximum amount, and the results have been extraordinary in some respects. A very much larger amount has been got for our members than the employers originally tried to settle for.

4987. If you had a large number of compensation cases, and no compensation had been claimed or obtained, they would have been thrown on the State funds of the society, that necessarily must help to increase the excessive sickness claims, and if you had a large number who were having that experience then, to the extent of that experience, the sickness benefit fund is charged with something which it should not be charged with, and I was wondering how many of those cases have been placed on a proper basis, and how many have been placed on the sickness benefit funds of the society, thus helping to add to the cost?—In every case we offer to take up the case on behalf of our member.

4988. Would you consider sick visiting a question of very great importance in respect of keeping down your sickness rate? You said last week that you had 26 full-time visitors, 58 visitors otherwise, and a certain number of nurses?—Yes. I am told that the so-called panel system of having people who will visit, wherever they are called upon to do so, is being rapidly extended. According to the latest returns, there are 171 of these. But with a society organised as ours is, I consider that it is wise to proceed very slowly in the matter of setting up an extensive system of sick visiting, until we feel quite sure that it would be advantageous. I think that in certain districts it has appeared to be advantageous, and we have employed them there, and I think that on the whole the result has justified it; but I am strongly inclined to move rather slowly in the matter of setting up a complete system of sick visiting, extending over the whole country, and involving the visiting every week of every person, who is in receipt of benefit.

4989. May I take it that, having regard to your multiplication practically by 50 per cent. of your visitors, you are beginning to feel the importance of sick visiting, or you would not have appointed these numbers?—I am extending the area of the experiments in order to get more evidence on the subject.

4990. I understood you to say last week that a visit was paid about once in four weeks?—The statement was rather that only cases, which we think call for special investigation, are visited. You might combine that with the statement that certain cases now are always dealt with specially after three or four weeks of sickness, but no such general rule has been laid down with regard to sick visiting. The general rule is that our sick visitors visit those cases which they are instructed to visit on account of, I will not go so far as to say suspicious circumstances, but something which seems to call for further inquiry.

4991. Then an insured person can have a week or two of sickness benefit in your society without any sick visiting at all?—Yes. The great majority are never visited at all, except that our local representative goes every week to pay the benefit, and he has instructions to report any case in which he suspects malingering, and from my experience of our agents, I would say that he does that very thoroughly.

4992. May I ask if you would consider that that is a successful system of visiting, when it may be

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that there are one, or two, or more members of the family affected in another direction. You have not heard of any case in which a collector was interested in the whole household, and when a particular individual was sick, saying "You are not looking so well. Perhaps "another two or three weeks would do you good"?—No. I have seen such remarks made in certain papers which are not exactly friendly to our societies, but there has been no instance in my experience of our societies in which that has occurred.

4993. Do you think from your experience that the fact that a large number of people can be on the sick fund for a fortnight without any check in any way helps to multiply the incidence of sickness?—If you put it forward as a hypothetical question, and not as one applying to our societies, I should say, yes, but if you apply it to our society, I would say, no. No member of our society is in that position. They know perfectly well that someone is coming in at least once a week.

4994. I do not want it to apply to your society?—I want to make it clear in giving my answer that it does not apply to my society.

4995. The same question applies to everybody who has had to do with a large organisation in which the work has been dealt with from head-quarters, and I do not wish you to take it as applying to you?—No, but I wish to make quite clear that I was not referring to my society, but to a hypothetical case.

4996. The figures which you have given this morning prove that it is necessary to extend your sick visiting in order to check the claims?—To form a better idea as to the advisability of extending the system.

4997. Your rules provide for a number of officers. How many of these are insured persons?—Do you mean officers or members of the committee of management?

4998. I mean the whole of them?—So far as I know, not more than two. I am not sure whether it is more than one.

4999. (Chairman.) Are you taking the men's society?—Yes, I think it is the same for the other societies.

5000. (Mr. Davies.) In rule 11 (23) of your rules it is provided that no person shall be entitled to sickness or disablement benefit where such sickness or disablement is caused by indulgence in intoxicating liquors. What would be the interpretation of "indulgence in intoxicating liquors" that would cause you to put members off benefit?—The most probable case, of which we have had one or two instances, would be that in which the man in a state of intoxication had fallen down and injured himself, and had claimed sickness benefit as a result.

5001. Where you can prove over-indulgence?—We interpret that as meaning drunkenness. We might consider that a case of delirium tremens, though it could not be proved to be due to any particular drunkenness, would be due to indulgence in intoxicating liquors to excess.

5002. The rule says "indulgence in intoxicating liquors," and I was wondering whether it was a question of the size of a man's stomach, or of the quantity which he took?—We do not enforce temperance principles on our members.

5003. Do you mean over-indulgence?—Yes.

5004. In reference to Rule 11 (24) of your rules, what is your method of paying sickness benefit? You say, "at such times as the committee of management may "appoint, or at any office of the society." Do you pay them in their own homes, or have the people to come to you?—We pay in their own homes.

5005. How often?—The instructions given are that if a man recovers in less than a week, he will be paid when he recovers, but if his illness continues longer than a week, he will be paid weekly.

5006. Do you apply section 27, of rule 11, of your rules, which enables you to reduce sickness benefit where the rate of sickness benefit exceeds two-thirds of the usual rate of remuneration?—We have not yet applied that.

5007. How do you interpret section 28 of rule 11 as to not following his occupation?—I do not think I

can give a general answer to that. The question of occupation is a very wide one. I would rather decide each case on its merits, as to whether in any particular case the individual can be said to be engaged in an occupation or not. I could not give any general definition of occupation.

5008. You only include this rule to give the committee supervision in any case that might come under your notice, and you think cases ought to be dealt with, without setting out any definite line?—Yes, we have issued no definite instructions as to what we mean by occupation; each case would have to be considered on its merits.

5009. In the case of doubt in connection with a member's employment, or in connection with the question whether he is fit to go to work again, what system would you set up? You have a clause in rule 11 (29) which says that the secretary may declare that a member is not entitled to benefits, and such member shall thereupon cease from that day to be entitled to benefits?—Yes; that follows either an independent medical examination, or refusal to submit to it.

5010. In that case the secretary has the right, without further consultation with the committee or anyone else, to take the man off sickness benefit?—Yes.

5011. With regard to the termination of membership, would it be a fair question to ask how many members you have expelled since benefits began to be paid?—The total number expelled, in nearly every case in connection with benefits, has been eleven, four women and seven men.

5012. That is the full total number of people whom you have expelled?—Yes; it is absolutely insignificant compared with our membership.

5013. Are all your members supplied with rules in order that they may understand what are the benefits, and how they can be obtained?—Every member, of course, can obtain the information from the rules, which he can purchase for 2d.; but we realise that many would not do that, and as it is necessary to understand all the rules affecting the benefits and their conduct while in receipt of benefit, and so on, we issue gratis a reprint of the rules affecting those matters, and every member is handed one of those reprints when receiving the benefits.

5014. You take it that that is a matter of importance, in order that the member should be educated on the subject, and that he may not be in a position to plead ignorance?—Yes. We do not think it fair to penalise him subsequently for something which he did not know, although he had the means of knowing it, if he had exercised his right.

5015. Would you accept my word if I say that many of your members complain that you have not sent these rules?—Members in receipt of benefit?

5016. Members who have complained of various matters in connection with their treatment, and when asked for a copy of the rules in order to see what the procedure might be, have not got these rules?—Any member not in receipt of benefit would have the right to purchase a copy of the rules for twopenny. He may not have them, but when he becomes entitled to benefit, and a question arises as to liability under those rules, he is presented with an extract containing all the matters which concern him. I expect that in the cases to which you have referred, the members were not in receipt of benefit.

5017. No, but take the case of members who want to make complaints. Suppose that you are sitting on an insurance committee, and a person ignorant of friendly societies or approved society work has some reason to complain, it may be of cards being lost, or something of that sort, or any other complaint, and he comes to the committee; they say, "Let us have a look "at your rules, before we do anything in this matter," and he says, "I never had any rules; I do not know "anything about it; I have come to you to help me." I was wondering whether you had a number of these rules set up which were necessary for the people getting the benefit, and whether you supplied each individual with a copy; but I understand now that it is only when

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they are setting up claims for benefit, that they are supplied with a copy?—Supplied gratis with a copy. Of course we had to decide the question whether we would follow the friendly society practice, and make an entrance charge that would include the rules. It was decided that there should be no entrance charge, and that a small charge should be made for the rules.

5018. Then all your members have not got a copy of the rules?—I imagine not, from the total number of copies of rules issued.

5019. Have you appointed many nurses with regard to sick visiting?—Do you mean for nursing purposes?

5020. Yes?—No, but most of our women sick visitors are in fact trained nurses.

5021. (Mr. Wright.) With regard to the admission of members, you told the Chairman that in your opinion a large number of those, who became members of your approved societies, were policy holders?—Yes.

5022. Generally speaking, members of your approved societies were obtained on the solicitation of agents of the Prudential Assurance Company?—Yes.

5023. Were those agents paid a procuration fee?—They were paid 3d. per member to cover the extra work they had to do in connection with the enrolment of members. You can call it a procuration fee; we should probably describe it under a different name.

5024. Had your agents any instructions to make a house to house canvas for members of the approved societies?—They are instructed to get members, and it is quite unnecessary to instruct our agents that they have got to do it by a house to house canvas.

5025. They were instructed to obtain members?—They were invited to do so.

5026. To obtain members they would naturally go to houses that they had not gone to before?—No doubt they did in some cases.

5027. They would not confine their attention to those houses in which your policy holders resided?—Not necessarily.

5028. Therefore, there is a probability that your agents knew nothing at all about a large number of the persons whom they enrolled as members of the society?—I think that possibly that would hold in a certain number of cases, but you remember I based my answer to the question last week on the idea that the total number of persons who were insured in industrial companies showed the small number there can be who are not insured.

5029. You say that, in view of the fact that nearly the whole of the industrial population are insured in insurance companies?—That is a rather lax way of putting it. Insured in industrial insurance institutions would be a more correct way of putting it.

5030. You do not want to amend that, and say insured in the Prudential Assurance Company?—If I say that nearly all the population is insured in the Prudential Assurance Company, that might be a slight exaggeration, but not a very great one.

5031. You told us, in answer to a question asked last week, that the agent signed the declaration which you read, and then the Chairman asked you what information they had, which enabled them to sign such a certificate as that, and you replied that there is the fact that they have seen the individuals, and in all probability the man himself, or the woman, or some other member of the family is insured, and he has known the family for years. I ask you now whether in all probability in the majority of cases, in view of your large membership, the probability was rather that the agent did not know the majority of people whom he certified?—I should still say that in the great majority of cases, in which he secured members, he knew some members of the family as being insured with us.

5032. With regard to the classification of your members in various societies, when the agent invited a person to become a member of your society, in extending the invitation, did he specify the particular society which a person was asked to join?—I am afraid I cannot tell you.

5033. Would he have instructions, for instance, when visiting a house to interview the domestic servants, and say, "You are going to join the Prudential Approved Society for domestic servants"?—He

would have no special instructions because we were willing to take the domestic servants into other societies, but we put before him the very attractive features of our domestic servants' society, which would appeal to domestic servants, and if the agent has an attractive proposition to put before them, he would put it forward in preference to a less attractive proposition.

5034. Did he put forward the attractiveness of the laundresses' society in the same way?—That, to some extent, was brought forward at the instance of those engaged in the laundry business, and I should imagine that it was canvassed in quite a different way.

5035. But I believe you anticipated a heavier rate of sickness in respect of laundresses?—We had no reason to suspect it. Representations were made to us by those professing some knowledge of the matter, that it was not fair that laundresses should be asked to go into an ordinary society on account of the extraordinarily healthy nature of their occupation.

5036. I thought that the contrary was the fact?—I am stating the suggestion which was made at the time.

5037. Would you invite them to join that society, because you anticipated that the laundresses followed a particularly healthy occupation?—Not necessarily, but we were given to understand that they thought that they should have a society of their own, and we wished to cater for the wishes of the public.

5038. In reference to the miners' society, did you ask the miners to join, and point out that they should join a society formed exclusively for miners?—That society was formed on the suggestion made to us that a large number of miners would be likely to join a society confined to miners, and once more we tried to cater for the public wishes in the matter.

5039. Your agents are supplied with several kinds of application forms for your approved societies for men, women, domestic servants, miners, and laundresses?—Yes, we had separate forms not only with the name of the society conspicuously printed at the top, but with a different colour for each society.

5040. You are acquainted with section 23 of the Act?—Yes, I think I have read it.

5041. Section 23, subsection 2, provides for the affairs of the society being subject to the absolute control of its members, and so on. You followed the progress of the Bill through Parliament?—I did.

5042. You recollect that a great deal of importance was attached, by those who were responsible for the measure, to the self-government of approved societies?—I do not know that I can trust my recollection in that matter, but even if I could, I do not see how this comes within the terms of reference of the Committee. I do not know that I have any information to give as to my recollection of what took place in Parliament.

5043. At all events you are acquainted with the particular section?—Yes.

5044. That is contained in the Act, whatever may be the reason which led to its inclusion?—Undoubtedly section 23 is contained in the Act.

5045. You are acquainted with section 38 of the Act?—Yes.

5046. It is the section dealing with making good deficiencies. You know that the Act provides that in the case of a deficiency, the deficiency shall be made good by the members in one of several ways, recited there?—Yes.

5047. You do not encourage your members to take any very great interest in the welfare of their own society?—That is a rather peculiar question for me to be asked. We naturally desire our members to take a great interest in the matter.

5048. Do you give them any opportunity of attending meetings?—Certainly, every member is entitled to attend every meeting of the society.

5049. How often are meetings of the society held?—The annual meeting of each society will be held this month.

5050. I may tell you why I am putting these questions. Some of us attach a great deal of importance to the self-government of societies, and we think that the comparative amount of interest, which your members take in the affairs of the society, would

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have a very considerable bearing upon sickness claims, and upon the detection of malingering. That is why I am putting these questions. Regular meetings of the society are held annually?—Yes, there is an annual meeting of each society.

5051. No provision has yet been made for setting up districts, and the holding of district meetings?—No. Perhaps I ought to qualify that. Provision is made in the rules as to the circumstances in which a district meeting shall be held.

5052. I know of that, but no steps have yet been taken to set up districts?—You are, at least, as well acquainted with the rules as I am. You know the conditions in which such meetings are required to be held.

5053. A district meeting of the society shall be held in each separately organised district of the society—what is meant by “a separately organised district of the society”?—I think you will find that that is further defined in the rules.

5054. Have you yet set up these districts referred to?—Our whole business is organised into about 600 districts covering the whole of the country, each one under the control of a superintendent, and when these rules were framed we had in mind those particular districts, though they are not specified in the rules.

5055. In other words, the districts of the approved societies would be coterminous with the districts of the Prudential Assurance Company?—If we adopt that.

5056. That would be your intention?—That would be the effect if we adopt that classification of separately organised districts.

5057. Suppose a member of your society desires to effect a change in the committee of management, what steps has he to take to effect that change?—Here I must appeal to the Chairman as to whether this comes within the terms of reference; it does not appear to me to do so.

5058. (Chairman.) I think that Mr. Wright is entitled to attempt to show, for what it is worth, that a society which is organised on the system of every member of the society having a very intimate touch with the governing body may, for that very reason, have fewer sickness claims than one organised otherwise, but, of course, we have got to be careful not to go outside that.—The question of giving evidence before this Committee has been brought before my committee of management, and I have been authorised to give evidence within the terms of reference, but I have no authority to answer any questions outside those terms.

5059. (Mr. Wright.) Is it conceivable that a member of the Prudential Society may possibly have some idea that an alteration in the constitution of the society would be beneficial?—It is possible that there might be one such member.

5060. What makes it more possible surely is the fact that if, under the present constitution a deficiency were disclosed on valuation, they would have to pay their share in making good that deficiency?—Probably a member would think that he had a much better chance of escaping a deficiency by continuing the efficient government which he has got at present, than by adopting the inefficient government which he might get if he tried that experiment.

5061. Suppose a member does want to effect some alteration in your constitution, what steps must he take in order to effect it?—The steps are clearly set out in the rules which I believe are in the possession of every member of the Committee.

5062. If a member sends up a proposition for an alteration in a rule, or in the constitution, can the committee of management veto that, and decide that it is not a proper matter to bring before a general meeting?—They have power, if in their opinion it is not a matter suitable for the annual meeting, to say that it ought to go to a special general meeting, but there is no right of veto.

5063. But they can veto it, so far as bringing it before the general meeting is concerned?—Before the annual general meeting, but not before the special general meeting.

5064. That power of veto exists?—Yes, but it must be exercised judicially.

5065. Suppose a member desires a matter to be submitted to a special general meeting, am I right in suggesting that it would be necessary for that member to obtain a thousand signatures to a requisition, before that meeting could be called?—I have not got the number before me, but I will take it from you that that is the particular number, but if the society were smaller, it would not be necessary to have that number.

5066. It is because your society is so large, that a thousand is the number?—An alternative is given.

5067. Yes, not less than one-tenth of the members of the society, or a thousand members, whichever number may be the less. I took the lesser number, which in your case is a thousand?—Yes.

5068. Then the member would have to obtain a thousand signatures before he could bring the matter before a meeting?—Yes, unless the committee of management considered that the subject-matter of his resolution were suitable matter for the annual meeting.

5069. Who selects the committee of management?—The rules and regulations specify that exactly.

5070. May I point out to you that the officers and committee of management were appointed by the directors of the Prudential Assurance Company?—My answer is, no.

5071. By whom were they appointed?—I must reserve my right to decline to enter into that matter.

5072. Are they irremovable except in the case of misconduct before July 1916?—There, again, I must refer you to the rules.

5073. The sickness benefit is paid by the agents?—Yes, in the first instance.

5074. The agents have had no previous experience of paying sickness benefit?—You mean paying cash.

5075. The administration of sickness benefit was quite a new thing to most of your agents?—I should say not; a very large number of our agents are old friendly society men, and act as friendly society men at the present time.

5076. You consider them generally an experienced body?—If friendly society experience makes them experienced, they are experienced in that way.

5077. They pay the sickness benefit upon production of the necessary proof, the doctor's certificate, and so on, without any reference to the superintendent, or the head office?—If the case, in their opinion, is satisfactory.

5078. Suppose an agent pays a claim for sickness benefit upon what he considers is satisfactory proof, and that subsequently the superintendent or yourself, or those responsible to you, consider that the proof was not sufficient, what would be the result, so far as the agent is concerned?—If, after full investigation, we were satisfied that it was a claim which ought not to have been made on the society, the agent would be instructed to recover the money from the insured person as having received benefit to which that person was not entitled.

5079. Suppose there was some difficulty in proving that the person was not actually entitled to the benefit, but it was mentioned as a case where, in the opinion of the superintendent or yourself, the agent should not have paid the benefit?—In the ultimate result, the only case in which we could hold that the agent should not have paid the benefit is the case in which the person is not entitled to the benefit; there is no other case.

5080. But do you not suppose that there is something between a person improperly claiming benefit, and the person not producing, at the time that the benefit is paid, proof that would be altogether satisfactory to the governing body of a society?—I do not call to mind any case of that sort that has arisen.

5081. Are there no instructions to agents on that point?—They have got very definite instructions as to what forms they are to get completed, and what precautions they are to observe on payment of claims.

5082. Suppose an agent paid a claim which in your opinion he should not have paid, and suppose he could not recover the money from the insured person as you suggest, would he have to make it good out of his own

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pocket?—Not unless other means of recovering the money had failed. If he had disobeyed his instruction, and been guilty of misconduct in the matter, it is possible that he might be held liable, but generally, as you are aware, there are means of recovering from the insured person.

5083. But I am assuming in this case that there is no fault on the part of the insured person at all?—It is either a case of the insured person being entitled, or not entitled, to a claim.

5084. That is not quite the case I am putting. It is a case where the person might be entitled to the benefit, but the agent pays the benefit without satisfying himself, or without producing satisfactory proof to you, that the person was entitled to the benefit?—I cannot conceive circumstances in which that could arise. If your suggestion is that we might penalise our agent for paying claims, which in fact were proper claims, no such case can arise.

5085. The agent would not have to refund the money from his own pocket?—I cannot see how the question arises, if the hypothesis is that it is a proper claim, but that there is only some informality in the way of making it up, or submitting it.

5086. Suppose he paid a claim carelessly?—What do you mean by carelessly? You admit it is a proper claim?

5087. Cannot you conceive a case in which you might say to the agent, "You have no right to pay this claim upon the evidence before you. The person to whom you paid it may be sick, and may be entitled to benefit, but you should have demanded from that person better proof before you paid the benefit." That is what I would call paying benefit carelessly; would not you?—According to your suggestion he would be apparently acting without complying with the whole of his instructions in the matter.

5088. Yes; what would be the effect on the agent in that case?—I imagine that there would be a reprimand of the agent for his conduct, but by hypothesis no loss is entailed on the society, and it would be impossible to ask him to make anything good.

5089. In such a case you admit that your agents really have a very free hand in the matter, and so long as they are reasonable in dealing with the insured person, they are not interfered with, and suffer no penalty?—As long as they are carrying out their instructions, and paying claims properly, but in assenting to your suggestion that they are not interfered with, I must not be taken as implying that they are not subject to very close supervision.

5090. Have you had any reports from any of your agents that they have lost business—I am speaking, of course, of the company's business—in consequence of their being a little strict in dealing with insured persons claiming benefit?—I have seen, I think, one or two statements to that effect.

5091. Where you had those statements made, have the agents been required to make good that business in the ordinary way?—I know nothing at all about that.

5092. Have the company given any instructions to their agents that in the event of their losing any of the company's business, because of exercising particular vigilance on behalf of the approved society, they would or would not be required to make good such business?—I think that you are rather misunderstanding the situation. I imagine that the loss, if the agent should lose any business, is rather a loss of what he anticipated getting, than of what he already had.

5093. I suppose that if in ordinary insurance business, an agent loses some of his clients he is expected to make that good in order to keep up the normal income?—I will take your word for that. I have no evidence to offer myself on that point.

5094. Do you consider the agents in this respect the servants of the Prudential Assurance Company, or of the Prudential Approved Society?—The servants of the Prudential Assurance Company.

5095. Are they the servants of the Prudential Company when they are paying sickness benefit?—Yes, so far as their actual relation of service is concerned.

5096. They are paid by the Prudential Assurance Company?—Yes.

5097. What exactly is their connection with the Prudential Approved Society?—I should call them the sub-agents, in a sense, of the Prudential Approved Society, in that they are the instruments by which the work is carried on.

5098. Am I to take it that the agents, being the servants of, and paid by, the Prudential Assurance Company, have no responsibility to the Prudential Approved Society?—Only through the company itself.

5099. That is in consequence of the contract entered into between the approved society and the company?—Yes.

5100. Could you, as secretary of the approved society, tell us whether the agents have suffered in the way I suggested just now, by having to make things good, where they may have lost business in consequence of vigilance on behalf of the approved society; have they been penalised in that way or not?—You are assuming that they have lost existing business.

5101. I am asking it. I am not aware whether they have or not?—I have no information that any case such as you are referring to has arisen.

5102. Do you know if these agents have been required by the Prudential Assurance Company to make things good in those particular cases on which you have received reports?—As I stated just now, in the particular cases in which I received reports, there was no suggestion that they had lost existing business as a consequence of their action. That was quite consistent with their having failed to get new business, in which case there would be no question of having to make anything good.

5103. What was your statement?—I think I said that I have got an impression that one or two have said that the people resented this, and that it would make things difficult in their other business. I mean that they resented some particular action on the part of the agent. The particular case I had in my mind was, I think, that of people being out after hours.

5104. That was a matter of reporting misconduct?—It was a breach of rules, rather than misconduct.

5105. Can you tell us whether or not any principal of the assurance company has said to an agent in that case: "If you lose this business in consequence of your vigilance on behalf of the approved society, you will be penalised to the extent of being expected to make the business good to the extent of that loss"?—I have no knowledge of any such statement having been made.

5106. With regard to sick members in hospitals who have dependants, to whom do you pay the sickness benefit?—To the dependants.

5107. What steps do you take to consult the sick person as to his wishes in the matter?—The instructions to the agent are: "Ascertain by consulting the member, when that course is possible, whether the member wishes the whole or part, and if the latter, what part of the benefit, to be paid to the dependants; arrange for the benefit to be paid accordingly; the receipt to be signed by the persons authorised to receive the amount."

5108. Arrangements are made to consult the persons wherever possible?—Yes.

5109. (Mr. Warren.) The evidence you have furnished the Committee has been given from material that has been supplied to you by your agents, or representatives, throughout the country?—I do not think that much of the evidence I have been asked to give has had anything to do with our agency staff.

5110. As to the working of National Insurance, you have not been able to speak from your own actual experience?—That depends on what you mean by my actual experience.

5111. You have not been able to speak to us of your own actual experience as to the working of the Act, in regard to the payment of benefits, and as to excessive claims, or malingering?—If by that you mean that I have not come into personal contact with the actual people, or paid the benefits myself, or watched the payment of benefits in cases where actual illness occurred, I say I have not.

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[Continued.]

5112. Generally speaking, the members of your society have no particular opportunity of knowing one another?—If by that you mean that, as members of the society, they do not meet in any particular lodge or district meeting, that is so; but, as a matter of fact, they do know each other.

5113. You have been good enough to give us certain information with regard to sickness visitation, and I take it that you do not consider that up to the present you have got a satisfactory system of sickness visitation?—If I have conveyed that impression, I am sorry. It is not the impression I intended to convey. What I intended to convey was that we were feeling our way cautiously in this matter, until we can see whether the expenditure would justify itself in the results.

5114. There is in no sense a comprehensive system of sickness visitation?—Not covering the whole country. So far as one or two districts are concerned, they are dealing with it on what might be termed a comprehensive scale.

5115. In your experience, do you think there is much misunderstanding as to the meaning of insurance on the part of a large number of the insured population?—Not to any great extent. So far as our own members are concerned, possibly that is because they are educated in insurance.

5116. Do you mean educated in sickness insurance?—In the general principle of insurance.

5117. I mean as applied to National Health Insurance?—The general principle of insurance is the same, whatever the subject-matter of it is.

5118. Are the majority of the members of your approved societies conscious that they stand or fall by their own particular society?—Yes, I think so.

5119. Has it come to your knowledge that a large number of persons, particularly the males, insured in the Prudential, are also insured for additional benefits in other societies?—No, I have no evidence of that, but I am inclined to think that that is not the case.

5120. There is not a large number who are insured with other societies?—No large number of our members are, I think, otherwise insured for sickness.

5121. You would not consider that you were subject to any excessive claims in the Prudential Approved Societies owing to over-insurance?—I do not think so.

5122. You have told us that, generally speaking, your agents have a very fair knowledge of the persons with whom they are having to deal, as members of the approved societies?—Yes.

5123. Do you think that, where they have reason to suspect malingering, they invariably report such cases to their chief?—I would rather you did not use the word "invariably," because that compels me to qualify my answer.

5124. Do they always report to their chief?—That amounts almost to the same thing. I should hardly like to venture the statement that in every single case that has been done, but so far as I have been able to test the matter at all, I believe our industrial agents are working very loyally, and are doing their best to detect, and call attention to, any case which might be described as malingering.

5125. Suppose an agent of an industrial company is met by a personal friend who says to him, "How are you getting on in the matter of National Health Insurance; are you paying many sick claims?"—"I am paying twenty-five." "How many of those are men, and how many women?"—"Twenty are women and five are men." "That is a very large proportion of women?"—"Yes." "Do you think they are all genuine claims?"—"No, I do not; more than half of them ought not to be receiving benefit." "What are you doing in the matter?"—"What would you do? You do not suppose I am going to do anything, seeing that I have other business in these homes." Would you be surprised if that obtained in respect of agents?—Do you mean in respect of ours?

5126. I have not mentioned the Prudential in particular?—I only know about the Prudential. If you will give me an instance where that has taken place with regard to one of our agents, I will have the matter

looked into. I cannot conceive that such a thing took place.

5127. Would you be surprised if it did?—I should be exceedingly surprised.

5128. (Chairman.) Do you mean that you would be surprised at such things happening, or surprised at such a conversation taking place, or surprised that it should take place with one of your agents?—I should be surprised at the conversation taking place. I should be surprised if an agent were guilty of that sort of thing. I have no reason to suppose that any of our agents are guilty of such conduct.

5129. (Mr. Warren.) If any such case took place, what steps would you take so that your agent should not be influenced in that direction?—We should certainly take severe disciplinary steps. What the nature of those steps would be, I cannot say at this moment.

5130. In your opinion does unemployment have anything to do with the claims?—In the present state of trade we have not had much opportunity of judging that. In one particular district, where they were working short time, we had, as a coincidence, very heavy claims at that time. I was also informed that it had something to do with the doctors. It is very difficult to distinguish the causes, but the fact undoubtedly was that there were heavy claims. They might be attributable to one or two causes.

5131. If you had any particular volume of claims from a district in which there was unemployment, you would make a particular investigation?—Yes.

5132. Have you had any number of claims for sickness benefit during pregnancy?—Yes, a large number.

5133. In these cases, what course have you pursued?—I gave the matter my serious attention some little time ago, when my attention was called to the fact that in some cases these claims were made six or seven months before confinement. I then arranged that in future in no case in which the cause of incapacity was given as pregnancy, should benefit be paid by our local representative, but that in every case the claim, before being paid, should be referred to the chief office, with a report as to any special features connected with it, and unless there were any particular circumstance warranting a departure from the general rule, we would not pay claims where the cause of incapacity was pregnancy, without an independent medical examination. If that confirms the previous certificate of incapacity, we pay. If it does not, we do not.

5134. (Chairman.) It does not require a second medical examination to confirm the fact of a woman being pregnant?—No, but it confirms the fact of her incapacity. If the first certificate states that the member is incapacitated, and if that is confirmed by an independent examination, also certifying that she is incapacitated, we pay.

5135. You do not ask for something besides pregnancy?—No. If the medical examination results in a certificate that she is incapable of work by reason of pregnancy, we pay.

5136. (Mr. Warren.) It is sufficient if it is pregnancy.—If it is certified by two doctors that she is incapacitated for work by reason of pregnancy, we pay.

5137. As to arbitration, with regard to rule 39, have you had many cases in which you have had to put that rule into operation?—We have had no case up to now.

5138. Last week you were questioned with regard to medical referees. Was your answer that if medical referees were appointed, in your opinion they should be appointed, and paid for, by the Commissioners?—Yes. I gave that as my personal opinion. I have not taken the opinion of the committee of management as to the best course to adopt on that.

5139. (Mr. Mosses.) With regard to compensation cases, you said that you took up every case of compensation?—If our member wishes us to do so. In some cases the member prefers to do it himself.

5140. There are other agencies, of which a person may be a member, and whom he may wish to take it up on his behalf?—Yes.

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5141. When you take these cases up, do you take them up in the interest of your member, or of your approved section?—It is difficult to distinguish between the two. They are so closely associated, I do not think that I can distinguish between them.

5142. I think there is a very broad distinction. Do you take it up to protect your funds, or do you take it up on behalf of the member in order to get him compensation?—We do it from both points of view.

5143. Is this an additional benefit?—In a sense. We are exercising a power given to us under the Act to assist our members, and we are doing it.

5144. You say that in a very short period you had 400 compensation cases?—I said that speaking from recollection. I have not got the statistics. One of our solicitors complained how busy he was, and said that he had in one week to write 200 letters and deal with 200 compensation cases.

5145. You say that the members declaring on the funds average about 10,000 each week, and that 5 per cent. are held over for further inquiry?—Yes.

5146. What percentage of the objected claims are rejected?—I have not got the figures, but our assistant treasurer tells me that practically all of them are found on investigation to be justifiable claims, and are admitted.

5147. Are they all referred to a medical referee for a second medical opinion?—Only where the circumstances seem to call for such a course.

5148. Are these cases challenged by your divisional superintendents, or by the central committee of management?—The question of an independent medical examination is decided by the chief office.

5149. Are these objected cases all queried by the chief office?—Not all of them. The sickness claim is paid in the first place by the agent, who takes the claim to the assistant superintendent, who is his immediate supervisor, and he authorises the claim, and gives him a voucher which entitles him to deduct the amount from his collection. Every assistant superintendent examines the claims, and sends them to the head office, with a weekly report. He looks into them, and if they appear to be unsatisfactory, he discusses them with the agent, and finds out all the particulars. Objection may be raised by him, and he calls our attention to any case. When he does not call our attention to it, we detect it at the head office—say a case requiring further inquiry. A claim is first supervised by the agent, then the assistant superintendent, and then by the head office.

5150. You complain of the excessive sickness among miners and laundresses?—We do not complain; we say that their sickness rate is heavier than in certain other cases.

5151. Do you attribute that to the arduous nature of their occupation?—With regard to miners, I should imagine that it is to some extent due to that. With regard to laundresses, I do not know what the cause is. I have done my best to find out, and have made investigations from several points of view, but it is difficult to attribute it to any particular cause.

5152. In neither case do you attribute it to malingering?—I have no evidence which would justify me in attributing it to malingering. It may be so, or it may not. I have no evidence on the point that I can put before the Committee.

5153. I was interested in your provision for the submission of cases to arbitration, and to a medical umpire, selected by the member or his medical attendant. I see that you require a deposit of 1*l*.?—In that particular case. That is the only form of arbitration in which we require it.

5154. If the member succeeds, the one pound is returned to him, but if he fails, not only does he forfeit the sum deposited, but the umpire may require the member to pay the whole of the expenses of the arbitration, which, in such cases, shall be recoverable at law as a debt due from such member to the society. Has that been put into operation?—No, we have not had occasion to do so yet.

5155. Do you not think that the mere fact of this being in your book of rules is a deterrent to your

members having recourse to arbitration?—I do not think so.

5156. It is a very heavy penalty?—It only refers to the special case with regard to medical examination. It does not refer to arbitration with regard to disputes.

5157. It says "pay the whole of the expenses of the arbitration"?—That is only in this particular arbitration.

5158. But there are other incidental expenses in connection with the arbitration, which would fall upon the unfortunate member?—In the case of an ordinary arbitration of a dispute between us, not arising under this particular provision, there is no such provision as to his being liable for costs.

5159. (Chairman.) Do you really say that? Rule 39 (3) of your rules provides that "The expenses incurred by the parties to an arbitration shall be borne by the respective parties. The cost of the arbitration shall be borne by such party as the arbitrator may order to pay the same, or, in default of such order, shall be borne by the parties to the arbitration in equal shares"?—I am distinguishing between the ordinary arbitration, and the special arbitration in connection with medical examination, in which a medical referee is called in. I may say that this rule is one which I took from the rules of an existing friendly society.

5160. (Mr. Mosses.) The fact that this rule is in existence is perhaps the chief reason why you have not had this submission to medical arbitration?—I do not think so. I attribute it to the smooth working of our society, and to the fact that our local representatives settle difficulties locally, and therefore we do not have so many disputes as, perhaps, some other societies get. There is not so much friction, I think.

5161. You have a provision for holding an annual meeting, which will take place within the next few days?—Yes, within the next fortnight.

5162. That meeting is to be held at the general offices of the society?—Yes.

5163. Is that an annual meeting of delegates representing the members, or of members themselves?—Of members.

5164. Do you seriously put it to this Committee that you can have an annual meeting of your members in your office?—Not if they all come, unless they spread out indefinitely. One has to act with some knowledge of these matters, as to how many are likely to come. I think that we shall probably find accommodation for all who come.

5165. I take it you could find accommodation in this committee room for all who come?—No, I am making provision certainly for some thousands.

5166. Will there be a thousand members from London?—No. I have already received applications for tickets for the meeting from Sheffield, Leeds, and one or two other places.

5167. You rather resented some questions with regard to the appointment of the management committee?—I do not think that you ought to say I resented them. I say I am not in a position to give the information.

5168. You do not like to say who appoints the members of your management committee?—My impression is that I referred you to the rules, which set that out. Every member of this committee has the rules, and I thought that when I had given documentary evidence, it was not necessary to give oral evidence.

5169. Is it a fact that the society is governed by a committee, of which only one member has a financial interest?—I say, so far as I know at least, not more than two, and possibly not more than one is an insured person.

5170. The non-approved members have no financial responsibility in the case of any deficiency?—They will not have to make good any deficiency, if that is what you mean by financial responsibility; but I am afraid they would feel a heavy sense of responsibility from another point of view.

5171. From what point of view would they feel a heavy responsibility?—They have to make the society a success. If it is not a success, they would feel

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some blame attached to them, rightly or wrongly, and they are as interested as anyone in trying to make it a success.

5172. It would be a loss of prestige?—It would be that.

5173. With regard to transfers, do you lose many members by transfer?—Not now.

5174. Do you gain many?—We gain slightly on balance at present.

5175. Do you place any impediment in the way of an easy transfer between your society and others?—None at all. I am considering whether as regards one particular society I may not have to do that. That is a case in which the society has refused to grant transfers in any circumstances itself. Generally, we ascertain if a member wishes to go, and if he does, we have not felt it necessary to place any obstacle in the way.

5176. (*Dr. Fulton.*) Your experience of sickness has been favourable, on the whole, apart from miners?—Yes. I should prefer to put it that it has not been unfavourable.

5177. It has not been more than you expected?—No.

5178. Then so far as this Committee is concerned, I need not deal with it further?—Not unless you wish to take a very wide field.

5179. No, I wish to keep inside the terms of reference. As to your experience with miners, could you give us the figures of their sickness experience compared with ordinary sickness?—For miners the cost for the quarter ending October 11th—that is, the cost of sickness per week per member—has been 3½d., and the total cost of benefits, sickness and maternity combined, has been 4½d.

5180. What has been the cost for non-mining men?—For men generally, it has been 1½d. for sickness, and 2½d. for the two combined. I ought to give you a word of caution. Looked at from an actuarial point of view, our miners' society is very small compared with the men's society, and you are liable to violent fluctuations which may rectify themselves in the course of a year or two. You might get different results in different quarters. Our men's society is so large that all these exceptional variations are eliminated.

5181. Have you any information as to the nature of the illnesses that throw the miners on the funds?—No. So far as I know, we have had no suggestion of any special diseases. It is generally a heavier rate, without indicating any particular cause.

5182. None of the claims are due to accidents at work?—No.

5183. So far as your evidence is concerned, the sickness rate among miners is almost twice that of non-mining men, being 3½d. against 1½d.?—That is for a particular quarter. That is the caution I wish to give you.

5184. As to women, what do they cost a week?—The figures I have here for women for the corresponding quarter ending 11th October, are 3d. for sickness per member per week, and practically the same including maternity claims. The latter are negligible as compared with the sickness claims in women's societies.

5185. Can you give us the figures as to married women, and single women?—I have tried to do so, but I find that I cannot separate them.

5186. Your chief complaint with regard to excessive claims is with regard to women, and miners among men?—It is among women that the more serious excessive sickness is found.

5187. Your sickness experience has been heavier than you expected from the approved society point of view?—You are asking me to deal with a large question, which involves actuarial opinion.

5188. I only asked for "Yes" or "No"?—So far as what I personally expected is concerned, I should say it is not so much heavier. I fully expected a much heavier rate of sickness for working women than for men. That is the root of the whole matter. There is no sort of relation between the actuarial basis of the Act, which was based on the Manchester Unity experience for men, and the actual sickness rates experienced by women in this country.

5189. You felt all along that you would have to face this deficit?—Personally, I felt quite sure that there would be a much heavier rate of sickness for women than for men.

5190. Generally, what do you find is the great cause of sickness among women? On the one hand, is it diseases like anaemia and indigestion and, on the other, pregnancy and its complications?—Those are two very important groups.

5191. Do you think that it would help matters, and save your second examination if a schedule of the principal disabling complications of pregnancy were drawn up, for which doctors would not be expected to give certificates, and for which sickness benefit would not be available? For instance, you get varicose veins, excessive vomiting, and dropsical conditions. If those were in a schedule, and the doctors were told they could grant certificates for those, but not for any other complications of pregnancy, would that help matters?—I have a great respect for the powers of the Insurance Commissioners, but I do not think that they would be justified in drawing up any such schedule as that.

5192. (*Chairman.*) If it could be done would it be of any use?—In my opinion societies will have no option but to pay if a woman is incapacitated, whether the disease is in that schedule or not.

5193. (*Dr. Fulton.*) If her incapacity to work was due to the action of her employer in refusing to allow her to work in that condition?—That raises a very large question.

5194. What has been the practice of your society in those cases?—I do not know that I am in a position to answer that question.

5195. Has it not come under your notice?—We did have one case, and, as a matter of fact, we paid in that particular case. It is a question which I think requires very careful consideration. We should deal with each case on its merits. At present, it is one of the most difficult questions we have to deal with in this matter.

5196. Have you any idea of what proportion of excessive claims among women have been due to the fact that they have been bad lives when admitted?—We have had little experience of that. I have good reason to believe that very few bad lives were taken in our society.

5197. Have a large proportion of newly admitted members run through their 26 weeks' benefit?—They are all comparatively recently admitted. I do not know that we have any record of the number who have had the full 26 weeks' benefit. I am afraid that I cannot give you any information on that particular point.

5198. What happens to them after the 26 weeks is completed? Do you keep in touch with them and require them to send you sick certificates?—We have one at the end of the quarter before claiming exemption from contributions.

5199. Not otherwise?—No.

5200. What happens to them? Do they go on the parish?—I really do not know.

5201. Do they still avail themselves of their panel doctor?—I have no knowledge. I imagine they do. They have a right to do so.

5202. You have, at least, a fair number of claims that will now become extinct through people with consumption, or cancer, not becoming again entitled to sick pay. Take a case of a man or woman, especially a woman, who on 15th January last had cancer or consumption. She runs through 26 weeks' sick pay, and she makes a heavy claim on your funds, but on the 15th July she ceases to draw benefit?—Yes.

5203. The probability is that that woman will never again become a claim on your funds?—Do you mean by reason of her arrears, or her dying before she becomes entitled to second benefits?

5204. On account of being in arrear, and never being able to bring herself again into benefit?—I am not inclined to agree. I know that in many cases of hardship, a local effort would be made to bring her into benefit again.

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5205. Then some of them would still be a drain on your funds?—Yes, I have had one or two cases already in which local efforts have been made to help the people on the funds.

5206. You do not think that it is a very important point?—No, I think local benevolence will take that form of placing these people in benefit again, so that we should not escape in that way.

5207. On the broad question, are these chronic cases the heavier claim on your funds, or do you principally object to the people who stay on seven days when they should go off on the sixth day?—I do not object to anyone who is entitled to it staying on. It is the longer claims that are so serious. I also regard somewhat seriously the tendency to prolong sickness by a day or two on a large scale, which must have a serious effect on the society.

5208. One of the reasons you have excessive claims is that a large number of members declare off the funds on the last day of the week?—Yes.

5209. You mean that they should go to work on the last day of the week?—Yes.

5210. Is it always possible for them to get work on the last day of the week?—I think they could not. That is one of the causes at work in the matter. If a man recovers on Friday, knowing that he will not get any work until the following Monday, whether he is ill or well, that is one of the causes which produces that effect.

5211. No alteration in the regulations will do anything in regard to that?—No.

5212. Nor anything on the part of the doctors?—No.

5213. You do not think that anything will alter that?—Not at present.

5214. Do you, of your own knowledge, know whether there was any difficulty in the way of members getting declaring-off certificates?—I have no personal knowledge of any difficulty in that way.

5215. In any case, there would be no difficulty now?—I do not think so.

5216. Do you say that, on the whole, the relations of your society with the profession are quite satisfactory?—Yes, with one or two exceptions. I think I have already referred to one point, namely, that of the difficulty with regard to one who persisted in stamping the certificates with a rubber stamp.

5217. You do not know whether that was customary under the friendly society dispensation?—I was assured by one or two doctors that it was, and I have told them that what was good enough in the old days is not good enough now.

5218. Do you think that your satisfactory experience is due to the fact that there is less clerical work required on your certificates than on others?—I do not think so. I think some of the friction has been got rid of by our local representative having a talk with the doctor. Many times the local representative reports that he has seen the doctor himself, and put matters right.

5219. You say that in cases of debility or anæmia, a special medical examination is insisted upon, if three weeks benefit has been paid. You do not think that three weeks' rest is a long rest for anæmia?—I am not prepared to say that a longer period than that might not be advisable, but I must fix some sort of period. I think it is a reasonable period.

5220. (Chairman.) When a member is actually sick, she is not liable to pay contributions at all?—No.

5221. Therefore no arrears accrue during the sickness period?—That is so.

5222. If a person goes on being sick for ever, the person does not get any more deeply into arrears than at the start?—That is so.

5223. Therefore a person once sick, and remaining sick eternally, goes on eternally being entitled to medical benefit?—I suppose that is so.

5224. On the other hand, when the 104 weeks have once been passed, and the 104 contributions have been paid, the long-continued sickness which succeeds the 26 weeks may go on for ever?—That is so.

5225. We are only dealing with a comparatively little bit of time in the interval?—Yes, it is a question of the waiting period.

5226. When it once gets going, all this will disappear—it is only a temporary business?—It is temporary from the doctors' point of view, but not from the society's point of view.

5227. It was rather suggested that the effect of the Act was to pin people to 26 weeks, and afterwards to throw them into the outer darkness. I was pointing out that however heavy the result might be to the funds of the society, it would continue?—Yes.

5228. (Miss Ivens.) You say that when you were not quite satisfied with the claims for sickness benefit, you submitted a good many cases to an independent doctor?—Yes.

5229. And a good many of these people did not come up for examination?—That is so.

5230. Do you think it was really because they were malingering?—No, frankly I do not think so. It is quite possible that some may have recovered sufficiently to have very grave doubts as to the results of a medical examination, but I cannot help thinking that in some cases at any rate the people dislike very much to submit to a medical examination, and will go back to work, when perhaps the medical examination would justify them in continuing longer on the fund.

5231. A good many of those probably would be cases of pregnancy to which you referred?—I think it is quite possible.

5232. And these cases really ought not to have been at work—I mean for their own advantage?—Of course I am in a difficulty. I have very great difficulty altogether with these pregnancy claims. I am advised by what I regard as competent medical authority, that in general it is good for a woman to do some sort of work practically the whole time of her pregnancy. I think it is probable that in many cases a woman is quite capable of doing a little light work, but quite unable to do work in a mill or factory. That of course raises the question as to whether there is any provision in the Act for meeting the difficulty, and whether, if the economic conditions of the country demand that married women are to work in mills or factories, some special provision should be made by which they should abstain from working during the latter months of their pregnancy. But that is hardly a problem which comes within the scope of our approved societies.

5233. Then it might be that out of those who really objected, or did not go to the doctor, some were genuinely ill?—It is quite possible, but we have no means, of course, of telling that.

5234. I think you say that 332 were certified by the doctor to be capable of work, and 361 were certified to be incapable of work?—My figures were 1,163 requested to submit to medical examination, 450 declared off without submitting, and 713 were examined, and of these 332 were certified to be capable of work, and 361 were certified to be incapable of work.

5235. So that it is possible that some of the excessive sickness may be really due to lack of treatment, or rather excessive work when they ought not to have been at work?—That would only arise in case of a second period of sickness.

5236. There has not been time?—We have no data whatever to throw any light upon it.

5237. But on the face of it it looks as though it is a possibility?—Yes, it is a possibility. Of course I realise, as everyone who has had to do with sickness insurance does, that it may be a disadvantage to the society, and probably is, that a member should return to work before he is physically fit for it.

5238. (Miss Macarthur.) You have told us that the grouping of your members into societies has been done on representations made by the people concerned. In the case of the laundresses for instance, did you have representations from individual laundresses, or was it not rather from the employers?—It was rather from the employers.

5239. From their standpoint?—It was the employers who made the representations. But representations were made, as I have indicated, that the

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conditions of health were so favourable in the laundry industry, that they were not anxious that their members should be forced to go into a general society, but should have a society of their own in order that they should get the full benefit of their experience.

5240. Assuming that to be true, that laundresses are a specially favoured class as far as sickness goes, you see of course that in so far as the laundresses' society would have gained by being a special class, your general society would have suffered?—If they would have gone into our general society had we not formed a laundresses' society, but as a matter of fact representations were made to us, that if we did not form a laundresses' society, someone else would.

5241. Would you accept a laundress in your ordinary women's society?—We should up to that time. At present if a woman gives her occupation as a laundress, she must go into the laundresses' society, as they appear to show a different rate of sickness, and work under different conditions from the majority of women.

5242. So that if a class of person was exceptionally good from the point of view of health, or exceptionally bad, it would not affect your decision. So long as they were exceptional, you would consider it right to have them formed into a separate society?—I am afraid I do not quite follow what you mean.

5243. I understand that you formed a laundresses' society on representations made by the Employers' Federation?—By certain employers.

5244. One of the grounds they gave for desiring a separate society was that they believed the incidence of sickness to be especially low amongst laundresses, and on those representations you formed your laundresses' society?—Coupled with the fact that if we formed such a society they would come to us.

5245. But since then you have discovered that exactly the reverse is the case, and that instead of being exceptionally good from the point of view of health, they are exceptionally bad. Now that that is the case, you would still segregate them. You would not accept a laundress in your ordinary women's society?—In general, no. Having formed that society, and experience having shown that it had a special experience, we should consider it proper to put such members in that society.

5246. Would that apply to the miners also?—The case has not come before me at all, but I should certainly prefer that such a member went into the miners' society. We have a great number of members who are miners, but who are not in the miners' society, because the conditions are rather different. Our miners' society was formed somewhat late, and we had a large number of miners already in our men's society. I think that that is much more the case than with laundresses in our women's society, and from that point of view I should perhaps hesitate a little more about enforcing such a rule in regard to miners.

5247. Do you feel then that each class should bear its own burdens to a certain extent?—No, I do not. I should have preferred originally to form simply our two main societies of men and women. It was circumstances in connection with conditions existing at the time, which forced us to form these separate societies. Had I not had reason to suspect that there would be a difference in health between men and women, I should have much preferred to have one society altogether.

5248. But because you expected a difference in health, you formed a separate society? Does not that rather show that you did think each class should bear its own burden?—So far as men and women are concerned, yes.

5249. Not so far as different trades are concerned?—No, that had nothing to do with it. So far as men and women were concerned, the position that led us to form the societies was this. There was a lot of agitation at the time, and there was a suggestion that women were being unfairly treated under the Insurance Act, and there was some effort to show that the burden of the men's sickness would be thrown on the women. It was said that the men were going to share the women's surplus. We had our own opinion, but we thought that if that was the opinion held generally, the

women who held it should have an opportunity of backing their opinion by joining a society confined entirely to women, and that was one of the governing factors in causing us to form a separate women's society.

5250. But now that you have formed these six different societies, whatever your opinion was at the outset, you are perpetuating that distinction?—Yes, particularly in the case of the laundresses.

5251. Do you mind giving us the rate for laundresses? You have given us the rate for the ordinary women's society?—The laundresses show, in the last quarter, for sickness alone, 4d. per week, and practically the same where it includes maternity. As with the women's society, maternity benefit practically make no difference.

5252. Could we have the rate in the case of the domestic servants?—Domestic servants, for the same quarter, show a cost of 2d. per week and the same including maternity benefit. The laundresses' experience is double that of the domestic servants.

5253. You have given us the figures for the third quarter. Has your sickness experience gone down or up?—It has gone down a little in the third quarter, but it is beginning now to show signs of increasing again.

5254. The third quarter would be less than the second, as a matter of fact?—I think so, a little. Not so much perhaps as it ought to have shown, but it is a little less. It got a little lighter in the third quarter, I know, but I cannot say whether it was the same in all the societies.

5255. There is a tendency now for it to go up again?—A slight tendency is observable.

5256. Would these be average figures in your case?—They are the average for the whole of the third quarter. That should be a favourable quarter of the year.

5257. There was another point raised by the Chairman, that I wanted to be clear upon. That was with regard to incapacity for occupation or for work. May I put a case to you?—I will answer your questions, but I can take no responsibility for views expressed on hypothetical cases.

5258. In the case of a domestic servant suffering from a skin disease on her face—a parlourmaid—so that it would be impossible for her to be employed as a parlourmaid, certified by her doctor as incapable, owing to the skin disease, would you consider that a case for benefit?—Quite capable of doing other work, but unsuitable for a parlourmaid?

5259. Incapacitated and having left her situation?—So far as I can see, I should deal with that very much as I dealt with the precisely similar case put to me about the engine driver. If the disease, while not incapacitating her from working permanently, incapacitates her from ever acting again as a parlourmaid or a domestic servant, and is likely to be permanent, —

5260. It is not permanent in this case I am suggesting?—If it were purely temporary, so that she had not given up any intention of following the pursuit of domestic service, and intended to go back as soon as it was cured, I should be inclined to say that she was entitled to benefit. If a domestic servant was incapacitated from work as a domestic servant by a permanent affliction, and would never be able to take to it again, but is able to do something else, she is not incapacitated.

5261. You have made it quite clear; I did not understand from your previous answer. The only variation of the incidence of sickness that you have been able to give us, is that the incidence is higher among the lower paid occupations?—I have some indication of that; that is all I can safely say.

5262. You cannot give us any particulars about the incidence, so far as married women are concerned?—No, I have inquired from the officials for information with regard to married women separately from other women, but it is impossible to get it.

5263. You have, I believe, in your society a number of women engaged in out-work?—We have.

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5264. Have you observed any heavy rate of sickness amongst them?—No, we have noticed no particular variation in regard to them.

5265. You have noticed nothing except a slight tendency amongst the lower paid class?—That is all.

5266. With regard to those cases submitted to the medical referee, can you give us any idea of the proportion of women, who were referred to medical referees?—No, my information does not distinguish between men and women on that point. It is possible that the information could be obtained, but I have not got it here.

5267. With regard to these second opinions, you have pregnancy cases. Can you give us any idea what proportion of these cases have been declared by the second doctor as fit for work?—I am afraid I have not got that.

5268. Can you give us any idea of what the second doctor reports, or how he reports?—No, except a case in which some complaint was made, and I looked into it, and found there was no ground for complaint. The second doctor reported that in his opinion she was quite fit for work, and she returned to work, and that was all. He entered a little into detail, but simply referred to his examination, and was quite of the opinion that she was fit for work.

5269. Would the doctor give that opinion in cases of complications of pregnancy?—Of course, I have not gone into that question at all; I have adopted the simple rule I told you. Every case, unless there is any special circumstance brought to our notice, is referred for special medical examination, and we trust entirely to the doctor, and act on his report.

5270. Have you any appeals against the second doctor's decision?—We have had none; it is only in the last few weeks that we have resorted to that method. Generally, we have paid the claims in the early stage, but when I came to look into the matter, I came to the conclusion that it was not possible for the society to go on on that basis. We had claims starting in the second, third, and fourth months of pregnancy, and we were told that they were likely to go on for the whole period, and I came to the conclusion that the situation was serious in regard to that matter, and I dealt with it in the way I suggested.

5271. Have you any rules with regard to benefit after confinement, which is rather different? Of course, the position will be altered in January, but in practice, have you had any rule as to the length of time you would pay after confinement?—You mean the sickness benefit to which a married woman is entitled, if she is an insured person herself?

5272. Yes?—The rule we adopted was this: That a woman in such circumstances shall be deemed to be entitled to four weeks' sickness benefit after her confinement if she, in fact, abstains from work for that period.

5273. Supposing she was certified as being incapable for a longer period?—She would come under the ordinary regulations with regard to sickness.

5274. You pay on debility after confinement without question?—Yes, except that, after a little time, we should have an independent medical examination of the member to make quite sure that it was debility, and not disinclination for work.

5275. Can you tell us what a little time would be?—I have stated, I think, that in general there is an independent medical examination in cases of debility after three or four weeks.

5276. Would that mean three weeks after the confinement?—No; three or four weeks after the expiration of four weeks after the confinement.

5277. Have you had many cases of disqualification from benefit because of misconduct?—A few; I should think about 20 or 30 altogether.

5278. A negligible quantity?—Yes, and mostly for such offences as forging medical certificates.

5279. Not diseases arising out of misconduct?—No, I do not know that we have more than one or two of those.

5280. With regard to hospitals, where there were no dependants, has it been your practice to pay members in hospitals?—We have not entered into

any general agreement with hospitals. Under the provisions of section 12 of the Act, if a member before going into hospital has expressed a wish that any money which may be so applied should be paid for the benefit of the hospital, or when he comes out, if he makes such a request, we have considered that we are entitled to regard the money, which would have been paid as sickness benefit into the hospital in accordance with his wishes, as being applied in that way for his benefit, if it went to the hospital.

5281. Do I understand that when he came out, you paid it to him himself in some cases?—Whenever it appeared to us to be for his benefit, and in general we have considered it to be for his benefit, that he should receive such payment, we have paid it in cash.

5282. That has been your interpretation of the Act?—Yes.

5283. With regard to your management committee, I do not propose to follow the questions asked by Mr. Davies and Mr. Wright, but may I ask if, in your women's society, you have any women on the management committee?—We have not.

5284. In the laundresses' society have you any laundresses on the management committee?—No.

5285. Nor in the domestic servants society, a domestic servant?—No.

5286. Some questions have been asked you about your sick-visiting methods; of course you have comparatively very few so-called sick visitors, but am I right in assuming that you feel that your agents, and assistant superintendents, and your superintendents, exercise so much supervision over the payment of claims that they take the place of visitors, to a certain extent?—To a certain extent, yes.

5287. I think you said that the agents were your first line of defence, the assistant superintendents the second, the superintendents the third. When you say "line of defence," you mean in protecting the society from improper claims?—Yes, it is a picturesque term which is liable to misinterpretation, but that is the meaning of it.

5288. Of course, these agents visit the sick person every week to pay the benefit?—They visit the home where the sick person is.

5289. And make such inquiries as they, or you, consider necessary?—They make inquiries and, I daresay, if there should be anything suspicious, they receive information from some of the neighbours.

5290. Am I right in assuming that these agents are all men?—I think at present they are. My impression is that there are no female agents.

5291. And that would apply to assistant superintendents and superintendents—they would be all men?—Yes.

5292. So that in that case, they would be more suitable as sick visitors for your men members, than for women members?—As sick visitors, yes, but not for the purpose of gathering information generally on the subject, perhaps.

5293. I understood you to say that, in cases of doubt, you sometimes referred them back to the assistant superintendents, or the superintendents for further information?—Yes, but of course, if I want information about an individual, I should not necessarily go to the individual to get the information. I should ask other people concerning it, probably.

5294. Would you not consider it necessary to see the person as a sort of essential first step to find out what her condition really was?—In some cases, in the nature of things, you could not see the person. Certainly our agents could not, in view of certain provisions of the Act.

5295. But do they not in practice very frequently see the person?—If the person is well enough to be about the house, but they are not acting there as sick visitors. If the agent takes the benefit to the house, he is acting in that capacity, and not as a sick visitor.

5296. I do not quite follow you, because, if they are your first line of defence, surely they cannot be a very adequate defence, if they do not see the person concerned. I put it to you that they do see them?—I simply do not know what happens. No doubt, in ordinary cases, where the sick person is not confined to

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the house, they do see them, but I have no knowledge on the subject.

5297. Have you knowledge of any cases where the agent himself has been disinclined to make inquiry, and has asked his wife to do so?—I have no knowledge at all of such cases. It is quite possible that such a case may have occurred.

5298. Another question about the nurses you have appointed. Do they wear uniform?—We are not appointing nurses as nurses, but as sick visitors. At present the arrangement is that in England they do not wear uniform. I should prefer them to do it in England.

5299. Can you tell us what salaries the nurses are paid?—I think they are mostly paid 25s. a week, and travelling expenses.

5300. You cannot get a very highly-trained woman for that?—In one or two cases, through some peculiarity they have become disqualified from following the nursing profession, but they are quite suitable for this work, and have been glad to take it on.

5301. As to your annual meeting, do you expect several thousands to attend your meeting this month? Are you having different meetings for all the different societies?—Yes.

5302. On different dates?—Not all on different days.

5303. All at different times on the same day?—Some at different hours on the same day.

5304. What notice have the members had of these meetings?—Only the notice contained in the rules, which fix the annual meeting.

5305. No reminder of any sort?—Only such reminder as other people have given.

5306. What interested me specially was that you were expecting members from Sheffield and Leeds, to attend the annual meeting?—I say that, because I have received applications for tickets of admission from those places.

5307. Of course, that would show a very great degree of interest in the affairs of the society?—I have reason to think that the individuals who have applied take some interest in the affairs of the society.

5308. They have some special interest?—It is quite possible.

5309. They are not women, I suppose?—No, these are all men that I have received these applications from. Of course, it is not necessary to apply for such tickets of admission. By producing evidence of membership, they can obtain admission. I have no idea how many are coming. I only know of these applications from these particular places.

5310. I put it to you that these members who come from Sheffield and Leeds are not ordinary insured members; are they ordinary rank and file members, or are they not in the employment of the company?—I do not know whether the Sheffield one is or is not. The man in Leeds was certainly not a servant of the company. He has a special interest in the matter, but he has no connection with the company or the society beyond the fact that he is a member.

5311. It would be an exceptional thing to expect people from Sheffield?—I should have thought so, seeing that there is nothing of interest. There are no audited accounts; I cannot conceive what interest anyone could have in putting himself out of the way to come, and for that reason I should imagine that there must be some special interest in the matter.

5312. So it is quite exceptional?—I should think so, yes.

5313. (Mr. Watson.) What measure of control has the committee of management over the sick visiting staff?—It has this control, that it appoints them, and, of course, can dismiss them, and pays their salaries, and it would dismiss them, if they did not do their work properly.

5314. The sick visitors, then, are not servants of the company?—No, they are appointed by the approved society.

5315. And are their salaries borne on the administration fund of the society?—Yes.

5316. So that they are servants of the committee, and under their control?—Yes, entirely under the control of the committee.

5317. I think you expressed a willingness in certain circumstances to contribute towards the cost of the second medical examinations?—From my recollection, what I said was that I considered that the cost should be borne by the State, in that it seemed to me the necessary outcome of the system of medical benefit adopted by the State, but that if that could not be got, and if the only alternative was not to have these, or to pay for them by the society, then, provided the society could get the services of these independent medical referees at a rate not exceeding what they can arrange for privately, I should imagine the societies would do so, but I have no authority, so far as my own society is concerned, to pledge them.

5318. To what account do you charge the cost of medical referees at present?—We charge that also to the balance of the administration account of the society.

5319. Under such a system as you have outlined, you would still propose to charge the cost to the administration fund?—I think so.

5320. You would not think it right to charge it to the benefit account?—Of course, as long as the society does not exceed its administration account, it does not matter which it goes to; it makes no difference to the society, does it?

5321. It may make a considerable difference to the members?—Can it? It would if you exceed your administration account, so that by throwing it on the administration account, you exceed the 3s. 5d. and make a levy on your members, but provided it does not do that, I do not think it will make any difference to the members which it falls on.

5322. Out of 1,163 medical examinations, you found that about 780 either did not go to the doctor, or were stated by him to be capable of work, so that, out of the cases sent to the medical referee, two-thirds were cases which never should have arisen?—I am not prepared to say that. Of those who did not submit themselves for medical examination, it is quite likely that a very large percentage were close to the time when they would declare off, and it made little or no difference. I have no evidence as to their condition. That is the position. I hesitate to draw the inference that all those individuals who declared off, when required to submit to medical examination, were imposing on the funds. It seems to me that there is no real evidence to warrant that inference, and I hesitate to draw it.

5323. Supposing you were ordinarily paying up to the actuarial expectation of sickness claims, and the medical referees saved you from excessive claims, you will agree that actuarially you would still be having a loss, if you charged the cost of those medical referees to the benefit funds?—My point in saying that it makes no difference is that the two funds are practically one. Any saving on the administration account goes into the benefit fund, when we consider the surplus, and it is only in considering surplus and deficiency that it arises. It seems to me that the ultimate effect is exactly the same whether you charge it to one account or the other. The question which fund it shall be charged to does not matter to me, so long as I do not exceed the administration account.

5324. When you say "so long as you do not exceed the administration account," you mean so long as there is enough money in the administration account to correspond with the charge made for medical referees, whether charged to the benefit fund or the administration account?—So long as I do not have to make a levy on the members at the end of the year to make good a deficiency on the administration account.

5325. (Miss Wilson.) You have taken up compensation cases for your members, that is, cases of industrial disease, I suppose, as well as of accidents?—Yes, although I am bound to say from what I have seen, that we have comparatively few cases as compared with compensation cases.

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5326. Can you give us any details about that, both for towns and the parts of the country you have most cases from?—Of industrial disease—I am afraid not. I can only say that I was raising that question a little while ago, as to the difficulty of dealing with these cases, and I was told that they were practically non-existent—compensation claims for industrial diseases.

5327. Do you mean by that, that they had not been brought to your notice as such claims, or that you had not inquired into the certificates, from the point of view of their being possibly industrial disease claims?—I mean that the diseases, scheduled as industrial diseases, were not recorded on our certificates. We had the certificates examined from that point of view.

5328. And there is nothing that suggests industrial disease?—Not on the certificates. You may say practically that there are very few indeed of such claims. We have the certificates examined, and those who examine them are furnished with a list of the diseases, and the occupations to which they correspond, and the claims are examined from that point of view.

5329. Have you any large group in your women's society, or group of considerable size of any occupations, which you would have expected to give rise to claims for compensation for industrial disease?—I do not think so.

5330. You have not a large number of lead workers, for instance?—Not as far as I know.

5331. Have you many textile workers in your women's society?—A moderate number, but not, I think, a very great number. Particularly in the textile trades, the women have gone into their trade unions.

5332. You have no particular information as to the incidence of their claims as contrasted with the claims of the other women in the society?—No, except that something occurred a little while ago. My attention was called to somewhat heavy claims in one particular district of Lancashire—roughly, Blackburn, Darwen, Accrington, and Preston.

5333. Can you tell us anything more about these claims? Were they mainly married women or single?—All I can tell you is that the women's claims—we had about an equal number of men and women in the district—were quite twice as heavy as the men's in that particular district, and it led me to somewhat extend my sickness visiting arrangement for the purpose of seeing if I could check the rate of sickness.

5334. You cannot tell us the percentage of married women, or any details as to what the claims were mainly for?—I am afraid I cannot distinguish between single and married women.

5335. You do not know whether there were a large number of pregnancy claims in that case?—No, I am afraid I cannot tell you that.

5336. Can you tell us any more about the nature of the sickness certificates of the laundresses who make claims?—No; there again I have not only looked through the claims at the chief office, but have also had investigations made locally to see if I could throw any light upon the nature of these claims, as to whether they were due to the physical condition of the workers, or to the conditions of labour, or to the way in which they were paid, or whether there was any malingering, and I can get no real information on the subject.

5337. There is no predominant disease?—There seems nothing that you can put your finger on and say, "This is the cause." It seems a little mysterious with regard to laundresses as to what exactly is causing the heavy sickness.

5338. There again, I suppose, you have no knowledge of how many of them are married women?—No, we have not.

5339. But on general grounds you would expect that a good many of the laundresses, as compared with other women workers, would be married women?—I should expect so.

5340. Can you tell us why you would expect a large number of them to be married women?—I am under the impression that certainly one large section—the ironers—only go for two or three days in the week, and it is the sort of work that a married woman, who

before marriage has done that sort of work, would continue afterwards. She could fit it in probably with the household work. I have the impression, on general grounds, that there are a considerable number of married women engaged in laundry work.

5341. You told us that where a certificate is filled in as pregnancy only, you required a second medical examination. Is that the case where the doctor has given some such certificate as debility due to pregnancy?—It would apply there, but our experience is that when these cases, certified as anaemia and debility are examined, they frequently turn out to be pregnancy cases. There is nothing to put us on inquiry at the outset.

5342. If the certificate had something rather more marked, such as varicose veins, due to pregnancy, would you consider that a sufficient certificate?—I think we probably would, because we should know in many cases that that was a sufficient cause of incapacity.

5343. Would you say that your agents in most cases have a fairly adequate knowledge of the general outlines of the Insurance Act?—I think so. We took every precaution to educate them on the subject at the outset.

5344. What sort of precautions did you take?—We gave them every facility for going to meetings, specially arranged by the Insurance Commission, for giving courses of instruction under the Act. A great many attended these courses. We also sent representatives from our chief office, who had a good knowledge of the Act, to lecture to bodies of our agents all over the country. There was a very large number of meetings in all parts of the country to educate them in regard to the Act.

5345. You would not say that a large proportion of the complaints you receive at the head office are due to muddled information, or wrong information, given by your agents?—We do not have the complaints to which you refer. We have very few complaints. We attribute that to some extent to the fact that we took great pains in educating our agency staff in regard to the Act.

5346. (Chairman.) A few moments ago you talked about "forged medical certificates." Have you had many cases of that kind?—I think about a dozen or so.

5347. Did you prosecute?—No; we referred the matter to the Commission, because we considered that it was the duty of the Commission to deal with it. In every case we have expelled the member and reported the matter to the Commission. We have not prosecuted ourselves. When I say "forged certificates," the cases vary greatly, from being a very serious offence to a comparatively venial offence. I have seen one or two instances in which it was done through sheer ignorance, where a man was undoubtedly ill, the agent called for the certificate, the doctor was not there, and the man signed it himself without any attempt or pretence of imitating the doctor's signature, and without any attempt to impose on the agent. That is a very different offence from a case in which a man is not ill, and imitates the doctor's signature in order to get the benefit. There are those two extremes to deal with.

5348. Mr. Wright asked you some questions about the relation of the agent to the society, and to the company respectively. I think he suggested that, having regard to the agent's relation to his own business, he would probably have some temptation to neglect the society's business for the sake of his own business—the company's business?—I gather that that was Mr. Wright's suggestion.

5349. There is a danger, is there not, that you would probably recognise, and endeavour to guard against?—I recognised it at the outset, and have taken special pains to guard against it, and, I believe, successfully.

5350. What sort of special pains did you take?—Educating the agents, and their immediate supervisors as to the fact that it was worse than a crime; it was a blunder to do that kind of thing.

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5351. Why was it a blunder?—Because that same agent will in all probability be the agent there when the valuation comes round, and if he has to explain to the members that there is a deficit, it will have a much more detrimental effect on his business, than if he deals properly with the claims when they arise.

5352. Your point is that he would be only a short-sighted agent, having regard to what he might heavily lose, if he was over-lenient, and caused the society's money to be wasted?—Exactly.

5353. That may or may not be so; that is the view you put forward?—And I have reason to believe it is right.

5354. One other slight misunderstanding. At the end of your rules there is a printed regulation relating to the constitution of the society, and so on. If you look at Article 6, you will find a regulation which sets up the governing body. Someone asked you if the first committee of management was appointed by the directors of the Prudential Company, and you said, "No." Who did appoint them?—I hesitated a moment while I referred back to refresh my mind, and I confirmed my impression because it was not the directors, the directors having nothing whatever to do with it. They did not take direct action in the matter, and therefore I gave a direct negative to the question. Had the question been put in this form. "Did the management of the company have anything to do with it?" I should have said "Yes."

5355. The fact is, is it not, that Article 6 of these Regulations provides that the first officers and other members shall be appointed by the management of the company, whatever that may mean?—Yes.

5356. And in consequence of that, the management of the company did so appoint them?—Yes.

5357. And I take it that the Prudential Company does not make any mystery about it. These gentlemen are here on the management committee, and are trustees?—The names are published, and in most cases everyone knows who they are, and that they are connected with the company in some way or other.

5358. You do not want to leave on the mind of the Committee any idea that you, or the society, or the company, have anything to be ashamed of in that transaction, or that you do otherwise than glory in it?—No, we wanted to get the best and most efficient management committee, and the management of the company were the people who knew best who would be suitable, and invited them to serve on it.

5359. And those officers of the society whose names appear here are the people who are intimately associated with the management of the company, and have been for many years?—Yes. I was distinguishing between the directors and the management when I replied to Mr. Wright. Mr. Wright is so accurate in

his questions, that I thought he meant to make the distinction.

5360. The rule to which attention has been called in another question lays upon you the duty of separately organising districts in the country, which have to be of not more than a certain size, according to a scheme to be approved by the committee?—Yes.

5361. You have not put forward such a scheme at present?—No occasion has arisen up to now.

5362. Are you considering the question, and getting ready for it?—Yes, I have considered the question, but the occasion is not likely to arise yet, I think.

5363. Are you not under an obligation to organise these districts separately quite apart from any occasion arising?—Yes, but I should rather take that in connection with the question of the occasion arising.

5364. Just look at Rule 19 (5), "For the purpose of giving effect to these rules, the society shall arrange —." You cannot very well wait for the occasion, can you?—I cannot say what the views of my committee of management will be, but I imagine they will probably follow, as I have indicated, the districts of the whole of the United Kingdom already organised for the purpose of the company's business. That will be very convenient. We have that organisation ready at hand at any moment.

5365. You do not suggest that the obligation does not rest upon you?—No.

5366. Have you anything further you would like to add?—I had one piece of information given me in the last day or so, which I thought might be of some interest in connection with a matter which has been lightly touched upon, but not pressed, as to our not having had a medical examination for our members when they entered. We asked certain questions with regard to health, and we have reason to believe that the selection was quite effectual, and as throwing some light on that, I have made inquiries as to what happened in those cases where we first of all rejected them on the ground of personal health, and in a very few cases ill-health coupled with family history, and we gave in such cases, if the one who was rejected on that ground liked to appeal against our decision, an opportunity of having an independent medical examination, and we agreed to accept them if the result of the examination was satisfactory. There were 2,000 cases in which we offered that option; 1,000 of these did not avail themselves of it, and simply accepted our refusal, and 1,000 did undergo the examination, and of those whom we had sorted out as unsatisfactory, 950 successfully passed the medical examination and were accepted as a result of it. I think only 50 were rejected as the result of the examination. It throws some light on the question, whether our method of selection was satisfactory in the circumstances.

The witness withdrew.

Mrs. EDWIN GRAY (*President of the York Female Friendly Society*) examined.

5367. (*Chairman*.) Are you the president of the York Female Friendly Society?—Yes.

5368. That is, is it not, a friendly society registered under the Friendly Societies Act?—Yes, a very old one.

5369. Existing long before the passing of the Insurance Act?—Since 1788.

5370. Has it been approved as a whole, or only as a section under the National Insurance Act?—It has been approved as a whole.

5371. How many members has it got on the approved society side, and on the private side?—About 1,453, I think, on the approved society side, and 633 on the private side.

5372. Are the 633, or any of them, also insured on the approved society side?—Only 272 are on both sides.

5373. This leaves 340 on the private side only. Have you any reason to suppose that they are insured persons who have insured elsewhere, or are they not insured under the Act at all?—A good many are not insured at all, but some certainly must be insured in

other societies. We have acted in a very dignified way, and have not inquired. The only thing we have done is that if a girl wanted to come to us on our private side, we have said, "We want to know if you are insured elsewhere." We have not told her to change in any way, but we have said that we should not take her in that case. We have not inquired of our old members; we have left them free to do as they like.

5374. Of the 1,453 who are members of the approved society, can you divide them at all into groups according to occupation?—I have done so. We had very good reason to believe that the factory girls had a great deal more sickness than our group of domestic servants.

5375. Taking it roughly, shall we say there are just over 500 factory girls?—510 factory workers, 687 domestic servants, and other workers 252. That includes some secretaries, typists, shop assistants, and charwomen, and some of the last are of what I might call rather low-grade employment.

5376. Have you any idea what sort of domestic servants they are?—I know very little. Some are in

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service where there are four and five kept, and a good many in even larger houses. We have them of all classes.

5377. Are your operations confined to the city of York and the immediate surroundings, or what field do your operations cover?—When we first wrote to the Commissioners, we said it would be for Yorkshire, but we have found in practice that it has been impossible to keep to that. As a matter of fact, we only take in girls who either come to us in York, or who have relatives who are in our club; but they move so extraordinarily rapidly, that we suddenly found ourselves with members in many parts of England.

5378. Especially domestic servants?—Yes, but there has been an *esprit de corps* in the old society, and a good many, in Leeds and Huddersfield and other places, have written asking to join us, because their relations have been for many years in the club.

5379. What kind of factories are the 510 factory workers in?—The greater number of our factory workers are at Rowntree's Cocoa Works, though we have one or two in other factories. We have a few factory workers in Leeds. I could not tell you the exact number, but the large majority will be at Rowntree's.

5380. The large majority in York?—The majority of the lot.

5381. How do you divide these age groups—over and under 25?—I did that because it would have cost a good deal of money to get out more accurate information with regard to the exact age of the groups. Our actuary advised me that these figures would have been of no use to you, unless I gave some idea of the age, because the expectation in young people should be less than in the old.

5382. So you divide it between under and over 25?—To give you a rough idea.

5383. And taking over 25, we get 128 factory workers, 320 domestic servants, and 141 other workers?—Yes.

5384. And under 25, 382 factory workers, 367 domestic servants, and 111 others?—Yes.

5385. Could you go further, and divide them into married and single?—We have very few married women workers. With the exception of about 30 or 40 married women factory workers at Messrs. Rowntree's, who go on in the winter months only, every one of these are unmarried. They are taken on by Rowntree's in order to avoid overtime. It is a new system they have got. These married women have all come to us.

5386. The large majority of the domestic servants are unmarried?—I think that I may say all of them.

5387. Are any of the "other workers" married?—Messrs. Rowntree employ no married women in their factory. Their rule is that when a girl marries she must leave, except that, last winter and this, they are taking on married women in the busy times.

5388. With regard to the "other workers" you would find a fair proportion who were married?—Yes, I think a fair proportion.

5389. I see that among "other workers" you have 141 over, and 111 under 25, contrasted with "factory workers," where there is an enormous preponderance under 25?—Yes, I do not think that I can explain that. Those include charwomen and the older shop assistants.

5390. I think one can well understand it. These women, after they marry, find it necessary to do something?—Some who are in tea-rooms are between 40 and 50 years of age.

5391. What do you say on the subject of unjustifiable claims? Do you think that they are being made?—We do not think so as a society. The present committee with, of course, the usual slight alterations, has been at work in this old sick club since 1892, so that it has had a good deal of experience, and we do not think that the claims have been any different from the claims previously made, but you ought to understand the lines on which we have interpreted the Act. We have interpreted the Act as regards incapacity for work in the same way as under the rules in the old society.

5392. What is the rule to which you would like to draw our attention?—It merely refers to the words "unable to follow their usual occupation."

5393. In Rule 13 (3) of your rules I find this: "Illness shall not be deemed to commence or continue unless the member is rendered incapable of work by some specific disease, or by some bodily or mental disablement." That is the Act?—Yes.

5394. Is there anything besides that to which you wish to draw attention?—I do not think that there is.

5395. What was your old rule?—Our old rule told any member desiring sickness relief what she must do. She must notify the stewardess in charge, and bring a certificate from the doctor. Sick pay is given because of incapacity for work, and we considered that the pay should be given, where the doctor certified, and where we, as a committee, believed that a girl was incapable of following the employment by which she earned her livelihood. We have always paid the benefit to a person suffering from gastric catarrh. A person suffering from slight gastric catarrh might possibly be able to clean out a room, and do some work for part of a day, but she could not do remunerative work and keep herself. We have interpreted such a case as one in which the girl has been incapacitated from following the employment by means of which she earns her livelihood.

5396. That is what you did before the Act was passed?—And we have done it since.

5397. Do you mean that if a woman is not strong enough for a fortnight to do factory work, but is strong enough to do other work, you pay?—We would not let her do any other work. The fact of the matter is that we do pay, and we consider that we are right to pay, a person suffering from very strong anæmia, when the doctor certifies, and we believe that she is unfit to follow her employment; but we always tell her that she must do no housework, and that she must rest and get well. That is what the Act is for—prevention.

5398. How long do you keep that up? Supposing a person is rendered permanently incapable, or rendered incapable for a very long time from following her usual occupation, but can follow some other occupation, would you go on eternally paying?—I do not think that I can remember such a case.

5399. Supposing you had a parlourmaid suffering from some skin disease, which would obviously incapacitate her for some time, and possibly permanently, from being a parlourmaid, would you go on paying 7s. 6d. per week?—I do not really know what other employment she would be good for suffering from a skin disease.

5400. She might be disfigured, and yet her general health might not be injured?—I suppose it might be so, but we should take every case on its merits. We should watch her closely, and if we saw that she was really fit to follow some other employment, we should stop paying her.

5401. So that in that case it would not be "incapacity from following her own employment"?—No, not in that case. You must use common-sense about these cases.

5402. Having regard to that, and to the way you are interpreting the Act, you do not think that people are taking advantage of it to make unjustifiable claims?—We do not think so as a committee. Though I do a great deal of work, I am not what is technically known as a working woman, and I have principally relied upon the opinion of working women members of the committee. They strongly feel that in our society, at any rate, there has been nothing that could be called malingering, if by malingering we agree that we mean pretending to be ill when not ill, or continuing longer than one should in receipt of sickness benefit, when really able to work.

5403. That is what you say?—We do, and we have considered it a great deal, because we saw that these claims were coming in.

5404. Would you mind telling us what in fact your experience has been as regards expenditure? Have you any idea what your expenditure per member per week has been? You told us the exact number of persons who had received benefit, but that is not what I am

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asking for?—No, I can see. In the Insurance section, in the first six months, the members sick were 176.

5405. Do you know how long they were sick?—I have not taken out the number of weeks' sickness.

5406. And you have not taken out the cost per week per member?—Yes. I have got it in our report here. The expenditure in the spring, based on our membership, should not have exceeded 11*l.* 8*s.* 4*d.* per week—that is based on the 2*d.* per week per member—whereas, up to July 13th our average weekly expenditure has been 13*l.* 2*s.*

5407. Can you give us any indication how that has been with regard to the two quarters. Was it different in the two quarters?—Yes. I can tell you that. On the private side, we have had just a few members more than usual, and have spent more than usual, but it is not enough to count. I would have given you these figures, but they would not have been of any good, because we have adopted a new method with regard to full pay.

5408. Do you know whether the 13*l.* 2*s.*, which has been your average weekly expenditure from January to July, has been fairly constant on the State side during that period, or whether it has fluctuated according to the quarter or the time of the year?—It was worse in the second quarter.

5409. Is it still rising?—No, it is not rising; it is tending to go down a little, we think.

5410. Do you think that your members understand what insurance means, and the kind of business they have gone into? Do you think that they understand that it is their own fund on which they are drawing, or do they think that it is a Government fund on which they are drawing?—I rather think that at first they were inclined to think that it was a Government thing, and that the benefits were assured whatever happened.

5411. Do they now realise that it is not?—They are, perhaps, very slowly beginning to do so.

5412. Do you go so far as to say that generally there was a misunderstanding of the principles of insurance?—I think there was no understanding like the *esprit de corps* of the old society. It will take them some time to realise that they own the club, and that the committee are running it for their benefit.

5413. You have 283 members on both sides?—Yes.

5414. What benefits are they insured for on the private side?—For sickness.

5415. How much is that?—It is 6*s.* for the first 13 weeks, and 3*s.* for 39 weeks.

5416. Anything besides sickness?—On the birth of a child, married members get a maternity benefit of 10*s.* Then there is a little pension when they reach the age of 60.

5417. Do they insure for them all at once, or do they pick and choose?—No, they insure for them all.

5418. What is the pension?—We do not promise them anything. We say, "as the funds allow." At present we are paying 2*s.* per week between 60 and 70, and no sick pay.

5419. No sick pay?—Not after 60. It is in lieu of sick pay.

5420. What weekly premium do they pay?—Hitherto only 6*s.* per year, but this year, at our quinquennial valuation, we have slightly raised it according to age. They begin at 6*s.* at 16 years of age, and it rises slightly each year up to 30.

5421. So that a woman insured on both sides can for 13 weeks draw 13*s.* 6*d.* per week?—Yes.

5422. Do you find that that has any effect in keeping them away from work?—We do not think so. At present we find that there are few who have joined us on both sides.

5423. 272?—Yes.

5424. They are not actuated by the fact that they are drawing such a considerable sum compared with what they earn. What do they earn, say, at Messrs. Rowntree's works?—The wages there vary very much according to their capacity for work.

5425. What is the sort of range?—I have known a girl earn 2*s.* per week. I could not tell you actually,

but I should say that up to 16 years of age they earn 7*s.*, 8*s.*, or perhaps up to 10*s.* per week.

5426. What is the general average?—They earn very good wages at Messrs. Rowntree's. I do not think that I should like to give you a figure.

5427. I do not want to inquire what Messrs. Rowntree's wages are, but I want to know what sort of relation there is between the amount these girls may draw and the amount they earn?—Our committee has considered that, and they do not consider that there is anything in it.

5428. The domestic servants of course are not, but are the other girls living at home?—They are nearly all at home. There are very few in lodgings, and they are very carefully supervised by Messrs. Rowntree's workers.

5429. Do you find that there is any difficulty in getting your members back to work and off the fund?—In one or two cases we have had to speak to them, and say that we thought it time they went back, but we have had no difficulty.

5430. Have you had any cases on which you could put your finger and say, "This is a deliberate attempt to impose on the society"?—Only about one or two cases. I spoke about the difficulty of a married woman who is ill before the birth of her child.

5431. Do you mean about her going on to the fund?—Of course we know that at some time or other before pregnancy every woman suffers from indigestion, or something of that sort. We have had two cases in which the doctor certified indigestion, and for four or five weeks we did not discover that it was due to pregnancy. People have to expect a little indigestion in those circumstances, and, that being the fact, we did not think that the doctor should have certified them. We did not think that it was more than ignorance on the part of the women, but we should not have paid had we known.

5432. I mean deliberate wicked attempts to steal your money?—No, certainly not. The committee say, "No," with great emphasis.

5433. What, generally speaking, do you find about the doctors? Are they helping you or not? I understand that your membership roughly falls into two classes, people actually resident in and about York, with whom you are in close touch, and others about Yorkshire, with whom you have very little to do?—We have arranged to have one or two visits even to them.

5434. You therefore do know a great deal about the doctors?—Yes.

5435. What have you found their attitude to be?—We do not think that the doctors have certified cases that are not ill.

5436. You find that they are ready to help you?—I do not think that they like to be questioned about their cases.

5437. You think that they have shown their dislike?—We had one disagreeable case. We sent our health visitor to the doctor, and he was very angry.

5438. What was he angry about?—That we should have thought of sending a health visitor to interfere with his case, and to ask questions of him. That is the only disagreeable case that we have had.

5439. Do you find any reluctance to state the nature of the illness on the certificate in such a form that you can understand it?—No, but we have found them inclined to put "debility," when we would prefer a more direct cause, and we have asked questions about it.

5440. Have you got answers?—Certainly, in two cases.

5441. Were they satisfactory answers?—What we do is to ask the patient to get an improved certificate, and we have had it satisfactorily attended to in some of the cases. In one case the certificate was again returned with "debility," and no other cause.

5442. Did you take any steps on that?—No, because we ourselves thought the patient was very ill. We suspected phthisis, and we did it in the interest of the girl herself. I dealt with the case myself. I wanted to get her into the sanatorium.

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5443. I thought you might have had cases where the doctor was unwilling to state the nature of the disease on a document which the patient was carrying about with him, but where he was ready to state it to you privately?—To tell you the truth we were rather concerned over this one great difficulty we had, and when we did ask for further particulars we were rather careful not to deal directly with the doctors.

5444. Why?—We thought that they had been worried about the Act, and that we had better leave them quiet, and go cannily and quietly. They are coming round and taking an interest in working it, and I am quite sure that in time we shall get into better relations with them. Our relations are not bad, but we felt that it was wiser to wait a bit.

5445. Did you have certificates on your private side before the Act was passed?—We did, of course.

5446. Did you have a particular doctor?—No, the patient's doctor.

5447. They had an absolutely free choice?—Yes.

5448. York is a fairly large place, but you knew more or less with whom you were dealing?—Yes, we know all the doctors in York, and we never found any difficulty. Of course, we have always had this difficulty about debility.

5449. Before the Act?—Yes, debility, anæmia, and gastric catarrh. They have always been the lions in our path. As a matter of fact, most people at some time or other could be signed on for debility, and we are therefore very cautious about it.

5450. You have never been in that sort of relation with the doctors in which some of the societies say that they are, and in which you can confidently look upon him as the guardian of your funds?—No, each patient chooses her own doctor.

5451. Have you any difficulty from ante-dated or post-dated certificates?—We have not found any difficulty.

5452. You can in a sense give us some assistance, which some other people cannot, because although you have outside people, your membership is pretty fairly local?—We have 900 members in York. We are just over the unit for electing a member to the insurance committee.

5453. Who actually pays the sickness benefit claims?—We have continued in the Insurance section the same method that we had already adopted. The secretary and certain members of the committee—stewardesses they are called—always attend at the office between two and four on a Friday afternoon, and either the patients themselves or their relations, having very often duly notified us by post, though sometimes not, attend, and we discuss the case and see into it personally. Our health visitor sits with us, and we give certain cases to her. We have one paid health visitor—a lady, and an educated woman—and she organises as many voluntary health visitors among our members as she can get.

5454. Does any money pass at those meetings?—Yes, money passes at these meetings. Then if it is easier, we send it by post or by the health visitor, but generally by post.

5455. You mean that you send it by post afterwards?—If the claim has come by post, we inquire into it that day, but, if nobody comes to claim it, we pay them if we think it is all right, but we immediately send the visitor.

5456. You pay by post?—Yes.

5457. But if they attend in person, you pay across the counter, as it were?—Yes, the majority come, or send their sister or mother, and sometimes their father.

5458. And you pay them?—Yes, without seeing the member, if we think that it is all right.

5459. But you have got before you a certificate of some kind?—Yes.

5460. An original certificate if it is the beginning of an illness, or a continuing certificate otherwise?—Yes, week by week.

5461. Supposing that you are dissatisfied with one of these claims, what do you do? You said that you handed something to the health visitor?—We have given the money to the health visitor to take instead

of paying it that day. Supposing that we feel that the person wants the money at once, and we have not been absolutely satisfied, we have asked the visitor to call at an hour when she should be in, and see the person herself.

5462. And you leave it to the discretion of the health visitor?—The committee has adjudicated upon it, and has said that if it is all right they will pay it. That is in one of the debility cases.

5463. I do not see the health visitor written down on the front page of your book of rules?—No, she was on the private side. We have had one for a long time on the private side.

5464. There is a president, or senior stewardess?—Yes—myself.

5465. Do you attend on Friday afternoons?—Whenever I am at home.

5466. There are a number of junior stewardesses—12—are they all insured members?—No. It is very difficult to get a committee of working women, who are insured members themselves. Our junior stewardesses at present are, like myself, women of good will, who are working this club for the members. We have for years been making efforts to get our general members on, and it has been very difficult. We have got it about nearly half and half now.

5467. What is the function of the junior stewardess? What does she do?—She actually sits there, and helps the secretary to administer the sick pay.

5468. Then there are some general members. What are they?—They are on the committee. They are themselves insured members.

5469. Then I see underneath, "Secretary, Miss Edith Sanderson"?—She is a paid secretary.

5470. She is an insured member?—Yes.

5471. Besides that there is a sick visitor?—We have just begun to pay the sick visitor in the Insurance section. She is paid 20*l.* a year.

5472. Is she a whole-time visitor?—No, she is doing other work, but she is very much interested in it, and gives a great deal of time to it.

5473. What is her profession? What does she do?—I think that she was a teacher of domestic economy at one time.

5474. She is only part-time?—She has a little money of her own, and lives with her brother, and she does this as a labour of love with pay.

5475. Is she a trained nurse?—No, she is not a trained nurse.

5476. What is her function? Is it primarily to check imposition, or to help the members to get well?—Both. We primarily appointed her some years ago on the private side to be a detective, I suppose.

5477. Does she try to get round to everybody in receipt of sickness benefit every week?—She goes where we tell her to go; but every case is certainly visited once.

5478. Once a week?—Not as often as once a week.

5479. But once in a sickness?—Certainly. We have some voluntary health visitors as well. She is organising them. She visits a case in the first week, and then gets a member of the committee, or one of the general members, to agree to act as a visitor. I think that we have six of them to visit under her, as it were.

5480. Are these voluntary people members of the society?—Yes.

5481. Is any attempt made to surprise people to see if they are keeping the rules?—Yes.

5482. I suppose you have rules prohibiting work?—Yes, and the health visitor sees to that.

5483. She must have her hands pretty full?—Yes, and members of the committee have visited a good deal. They do not always say that they will go, but there has been a great deal of visiting.

5484. There is no systematic rule that everybody has got to be visited at certain times?—No; but we believe in visiting, and we do as much visiting as possible. After all, we have only had 176 cases on the Insurance side in six months. You can visit a good many in an evening, and we ask them to go in the evening when the sick member is supposed to be at home.

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5485. Do your members know one another? Is there any social feeling among them?—Not now.

5486. Are you building it up?—We are trying to do so.

5487. The factory workers seem to belong to one or two works. I suppose they live in one or two quarters of York?—No, they do not. Messrs. Rowntree employ 3,000 girls, but only a few of them have come to us. They live all over York, and at Acomb, just outside York. I am not saying that a good many of them do not know one another, but there is no social feeling as regards the club yet.

5488. No social feeling that if one goes and commits an imposition she is cheating the others?—None of us think that there has been any attempt at imposition.

5489. I do not suggest that there has been?—They certainly do not realise that if they spend too much money, they will not have as much to spend, but we are, of course, explaining the matter to every member who is sick.

5490. Have you had occasion in any cases to get a second medical opinion?—No, we have not done so. I think there have been one or two cases of girls, who certainly must have been weakly when they entered, and we might have liked to have inquired further into them.

5491. You mean as to whether you ought to have admitted them at all?—That really was the point.

5492. You have not come across any cases which have caused the doctor to hesitate, and where it might have been an advantage to your society to have had a second opinion?—No. Our feeling—I may be wrong—is that a doctor would not be likely to impugn the opinion of his medical brother.

5493. That is not the universal experience?—I am told I am wrong, but that has been our feeling, and we did not want any more of our money spent on medical referees.

5494. Your money?—Or any money, because the State money is ours.

5495. That is a very sound view, but very few people seem to realise that fact?—We realise it. We know that it comes out of us somehow, and we do not want any more money spent until we have really tried every other means, and I do not think that they have been tried.

5496. You say definitely that you are averse to the employment of medical referees?—Our committee at present is very much averse to it.

5497. What means do you say might have been taken which have not been taken?—I think that other approved societies could have more women visitors.

5498. Although you have had your woman visitor, your sickness experience is heavier than you thought it was going to be?—I can easily explain that. Those who run the club knew quite well that the actuaries had understated the amount of sickness that there would be. I have put in evidence Mr. Newman's opinion, and I have given the variations from the old Government figures. We expected it. I sent out a little account, in which Mr. Newman again and again pointed out how greatly in excess our sickness experience on the private side has been to the Government expectation.

5499. That being so, and it being the fact that there has been a heavier sickness experience than you hoped—, —No, it is not. We expected it.

5500. Do you suggest that there are means whereby the sickness might have been reduced?—No, not in our case, but there are other societies, who have a much greater sickness experience than we have.

5501. But so far as you are concerned?—We are convinced that our sickness experience is right, that these girls ought to be paid, and that they would have been much longer ill, if they had not been paid. We were told by politicians, and by other persons who were not politicians, that this was to prevent serious ill-health, and we see a good many girls suffering from gastric catarrh, who cannot, and who ought not to go to work in a factory, or in real hard domestic service.

5502. I was wondering whether you were convinced that every possible means had been taken to keep down claims?—Certainly in regard to our own sick club, and

that is all I can speak of, but I gather that our sickness experience is less than some other societies. I mean that other societies might follow our method of women sickness visitors. Men visitors do not understand women, and I think that it is very deplorable that there should be men visitors to women who are sick.

5503. The Act directs that men shall not visit women?—Yes, but we know that men do visit women. However, that has nothing to do with me.

5504. You were going to suggest various means whereby such evils as there are might be reduced, and one of them was the employment of more sick visitors?—That is the chief.

5505. Anything more?—No, because I do not think that the sickness benefit ought to be refused. I think that what we have to do is to frankly confess that we have made a mistake as regards the sickness experience of women. We ought to confess it frankly, and say that we have made a mistake, and that we can now only pay 6s., or whatever it may be.

5506. What you really say is that there are no mechanical means which will keep down your sickness?—Not known, certainly not.

5507. But you consider that more sickness visitors might be employed by some other societies?—Yes.

5508. Whatever happens, you will still be left with a residuum of sickness greater than the expectation?—Yes, if we go on administering things as at present.

5509. And therefore you think that you ought to cut your coat according to your cloth?—Yes, that is really it.

5510. (Mr. Watson.) You told us that you have 633 members on the private side, of whom 283 are members on the State side also?—Yes.

5511. Are the other 350 for the most part not insured under the National Insurance Act?—I should say that a good many of them would be married women, but some few would be insured in other societies.

5512. A great many of them are married women?—Yes.

5513. Married women not working?—Not working. We have very little married labour in York.

5514. If you have a large number of married women not working, do you not think that probably this apparently high rate of sickness comes from the fact that married women are not working, and that the conditions are not typical of those with which the Government had to deal?—We have the experience of years behind us. When I first took up the club there were only about 200 members, and for many years all our girls were unmarried. It is only lately that they have become married. In those earlier years, at the first quinquennial valuation, Mr. Newman reported upon the extraordinary sickness amongst the very young members. That was the cry then. After that it varied a little, and his present report is that we follow the general lines of sickness as to age except after fifty. In every other age we are greatly in excess—he tells us to what extent in this table—of the old Government table.

5515. You say that when the society was very much smaller, the members were all single?—They all entered at 17.

5516. It is a very old society?—Yes, but I have only known it since 1892.

5517. Have you any reason to think that the proportion of married women not working is different now from what it was in 1892?—I have never looked into that. I could find out, and tell you accurately, how many married women members we have, but I do not think that it would affect matters, because we know how very difficult it is for married women ever to cease from work in that class of life. Though it is very difficult, we try to be very particular about the question of work. We do not allow her to do any house-work, and, if she is obliged to do it, we do not pay her.

5518. My difficulty is this: These statistics although they go to show that the sickness of women is higher than that of men, appear to be drawn from a class which includes a proportion—how large a proportion you do not know—of married women not working?—

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Not working for money, but still working terribly hard.

5519. I agree, but they are not working for money, and are therefore not the same type of people who are insured under the National Insurance Act?—They are exactly the same women. They only pass on to a different phase of life. They have the same bodies, and are the same human beings. They pass through our hands as girls.

5520. But Parliament has virtually said that the insurance of married women, who do not go out to work for wages, is so dangerous that we will not undertake it except under special conditions?—That is only what they think. They had no tables to go upon.

5521. It may be that your figures so far from destroying the credence that ought to attach to the actuary's work confirm the soundness of the judgment of the actuary, in advising the Government not to take it on?—It is possible. You can turn figures into anything. I do not like to say anything definite about it, but having administered it so long I should rather believe my impression. We have always been startled at the illness in young women, and not so much in married women. Mr. Newman wrote me a letter which I thought that I might give to you. There are two expressions of his which are a mistake, but I think that there is something in it which might be useful.

5522. Would you mind reading the parts to us?—It is rather long. This is where he is mistaken. I have seen him about it, and he agrees that it is a mistake: "The features of the experience are so persistent (notwithstanding the difference in the results of the quinquennium, 1897-1902) that they represent causes which have operated in the case of the York Female Friendly Society, but as this society has distinctive rules, and has been recruited from a different class to the class which is now coming under the National Insurance Act, it may well be that these conditions are the cause of the peculiarity in the figures which are given below." I went to tell him, and he agreed with me, that it is not so. It is just exactly the same class as our people are. That is why I did not like to send you this letter. He thought that they were a perfectly different class. He thought that we had no factory girls and shop assistants, and that they were a perfectly different class, but they are not.

5523. (Chairman.) Everybody who has come here has suggested to us that their great difficulty has been in the case of married women. Are you prepared, with that suggestion made to you, still to assert that you think the difficulties are either greater, or just as great, with the single women?—Mr. Watson's point was that there was more sickness among the married women. I do not think it. I agree that there is great difficulty of administration.

5524. When I said difficulty, I meant sickness?—No, I do not think that there is more sickness.

5525. If I were to suggest it to you?—Not among our factory workers at any rate.

5526. If I were to suggest to you that pregnancy claims alone, and claims in connection with pregnancy were enough, as suggested to us in some cases to produce an excess, would not that weigh in your mind?—We do not pay for any illness in connection with pregnancy, except the 10s. on the birth of the child.

5527. I know, but on the other side?—This is the private side. We only pay the 10s., and we are very careful not to pay for illnesses connected with pregnancy, unless it is something very unusual, and very out of the way, that lays a person up in bed.

5528. (Mr. Watson.) You refer here to the number of weeks expected by the Government experience, 1896. I expect you mean the Friendly Society experience, 1876 to 1880, published in 1896 by the Government. You understand that that is not the basis of National Insurance?—Yes, we understand that. Mr. Newman has explained that to me. That is his doing. He has put that down.

5529. As this table has gone to other members of the Committee, it would be as well if that were clearly understood?—Yes.

5530. (Miss Macarthur.) I think that there is a slight misunderstanding on this question of the married

women. You recognise, of course, that married women suffer from troubles and diseases from which single women do not suffer?—Yes, they do in connection with childbirth.

5531. You recognise, for instance, that they suffer from pregnancy and complications of pregnancy, and are incapacitated during confinement, and very often for long periods after confinement?—Yes.

5532. That being so, do you not agree that the sickness amongst married women is necessarily higher than it is among single women?—Yes, I do; but I understood that I was being asked as to our private side, in which we have taken great care only to pay 10s. for the birth of a child.

5533. I do not think that is what was meant. You have said that your sickness experience on the State side compares favourably with the sickness experience of other societies admitting women?—I think so from what I have seen in the papers.

5534. At the same time you say that you have a very small percentage of married women on your State side?—Yes.

5535. If you had a larger percentage, and had to pay for complications during pregnancy, and for disability following confinement, you would agree that you would expect to find a much larger sickness experience?—Yes. I thought I was being asked about our private side, where we have guarded against that.

5536. I think that there are two reasons. The one is that you have a small percentage of married women on the State side, and the other is that you have an exceptionally good class of factory worker in your society?—Yes.

5537. I suppose you would agree that the wages and conditions at Messrs. Rowntree's are well known to be better than those generally experienced by women workers employed in similar industries?—Yes. Of course the home conditions are sometimes very bad.

5538. The wages and working conditions are better there?—Yes.

5539. It is not therefore surprising if other societies experience a higher rate of sickness than yours?—No.

5540. Have you had any claims for pregnancy on the State side?—We have had a few cases of maternity benefit.

5541. Have you had any claims for disability before confinement?—Yes, we have had one or two.

5542. Have you paid them?—Yes. We have not had any serious illness, as it happens. We have paid for indigestion and debility in one or two cases on the State side.

5543. Before confinement?—Yes.

5544. For how long?—One case is still going on. She has had it for two months. She is very, very weak and ill.

5545. These are married women?—Yes, she was a charwoman.

5546. But you have had only a very small percentage of such cases?—Yes, only a very small percentage.

5547. Supposing you had medical referees, with special knowledge of special diseases, would you not agree that under certain circumstances it might be an advantage, if the insured person as well as the society could appeal to the medical referee?—The question is whether it would be worth the money. I should think that it would be, if it would really save money.

5548. You do not think that it would save any money, but you are only speaking about your own society?—The committee met, and I asked them to think of a single case where they thought that a medical referee would have prevented us paying, and they all agreed that there was no such case, and that the girls ought to have been paid.

5549. That only comes to this: that you are satisfied that you have not paid any illegitimate claims?—That is what it comes to, I suppose.

5550. You have no objection on principle to medical referees?—No, I have not, except as to the cost. We are inclined to believe that it would not be worth the cost.

5551. In the case of your society?—Yes.

5552. On this question of the difference between incapacity from following one employment and

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[Continued.]

incapacity from work, would you pay the benefit in a case where the member was able to do half-time work?—There is no such thing.

5553. Supposing the girl was capable of doing a certain amount of work?—I think that we have paid people who could certainly have done three or four hours' work a day.

5554. (Chairman.) On the State side?—Yes, I think that we have, but it would have been very injurious to their health, and might have landed them in a serious illness. That has been the principle on which we have acted in the past, and on which we act now.

5555. (Miss Macarthur.) You have done that from a preventive point of view?—Yes. That is how we have interpreted the Act.

5556. And you realise that if it does prevent future sickness, it will also in the future save your funds?—We think it ought to.

5557. In other words 1d. spent now may save a 1s. later on?—That was our idea.

5558. (Miss Ivens.) Can you tell me whether at Messrs. Rowntree's there is a primary medical examination, before they are taken on?—I believe that the certifying surgeon must always agree to their employment.

5559. You do not know that?—There certainly is a doctor attached to the factory, but I do not know from my own knowledge that every girl is seen by that doctor, though I believe it to be so.

5560. So that really you would get rather a picked class? The doctor would refuse to take on any case which was not quite up to the mark?—I think so.

5561. So that really you ought to get very good health among your factory girls?—We ought to.

5562. But you say that there is more sickness among them, than among the other workers?—There has been.

5563. Even than among the domestic servants?—A good deal more than among the domestic servants. Among those factory girls under the age of 25 there was 18½ per cent. ill during the first six months, and in domestic service only 7½ per cent.

5564. If you had ordinary factory girls you would expect a very much heavier rate than you have at present?—Yes, I should, of course, if the conditions were not so good.

5565. You mentioned that on the certificate, debility, anæmia, and gastric catarrh figure very often?—I have brought all the diseases for you to see (*document produced*).^{*} I thought, perhaps, someone would like to see it.

^{*} Analysis of Illness of Members of the York Female Friendly Society who have received Sickness Benefit.

Factory workers, 86; under 25 years of age, 70; over 25 years of age, 16.

Under 25 years of age:—Influenza, 11; boils, 2; chorea, 1; dental, 1; scabies, 1; pleurisy, 1; gastritis, 1; gynaecological, 1; debility, 3; rheumatism, 1; sore hands, 1; septic finger, 1; neuralgia, 2; constipation, 1; German measles, 1; bronchial asthma, 1; relaxed throat, 2; colds, 2; septic poisoning, 1; corneal ulcer, 1; laryngeal catarrh, 1; injured knee, 1; diphtheria and cardiac, 1; abscesses, 2; anæmia, 15; dyspepsia, 3; neurasthenia, 2; tonsillitis, 6; bronchitis, 3. Total, 70.

Over 25 years of age:—Anæmia, 3; cardiac, 1; debility, 1; diarrhoea, 1; epilepsy, 1; fractured forearm, 1; hæmoptysis, 1; influenza, 3; jaundice, 1; laryngitis, 1; rheumatism, 1. Total, 16.

Domestics, 58; under 25 years of age, 29; over 25 years of age, 29.

Under 25 years of age:—Anæmia, 6; boils, 1; appendicitis, 1; debility, 1; housemaid's knee, 1; neuritis, 1; pleurodynia, 1; influenza, 3; whitlow, 1; scalded hands, 1; septic poisoning, 1; bronchitis, 1; quinsy, 1; gastric catarrh, 1; morbus cordis, 1; varicose veins, 1; diabetes, 1; cardiac, 1; acute myopia, 1; varicella, 1; gastric ulcer, 1; tubercular hip, 1. Total, 29.

Over 25 years of age:—Influenza, 4; nephritis, 1; tonsillitis, 1; neuralgia, 1; anæmia, 2; burn, 1; debility, 2; neuritis, 1; vertigo, 1; synovitis, 1; bronchial catarrh, 1; bronchitis, 1; indigestion and constipation, 1; nervous debility, 1; senile debility, 1; neurasthenia, 1; cardiac trouble, 2; ulceration of

5566. (Chairman.) Are these all the diseases from which the people have suffered?—Yes, those that are under 25, and those that are over 25.

5567. (Miss Ivens.) You complain about these cases of debility, anæmia, and catarrh, but you still think that they are suitable cases for receiving benefit?—Yes, we do. We think that they were really ill.

5568. You do not seem to think that there would be much advantage in having a medical referee?—We have not thought so in our club.

5569. You say that you have had some cases of rather obscure and ill-defined illness, where they were mentioned as debility, and where they went on for a long time?—Yes, and one we thought was phthisis, and it ended by being phthisis.

5570. Do you not think that in a case like that, it might have been an advantage to have had a second opinion?—I think it might.

5571. (Dr. Fulton.) You said that your interpretation of the Act followed your practice before the Act, and that you thought a person was entitled to benefit, if unable to follow the employment at which she had been earning her living?—Yes.

5572. You feel very strongly about that?—Yes, I do. I think that if a person is not able to do her full work she should have sick pay. Of course, if we had an ideal state, where a girl suffering from rather bad anæmia could be at work in the morning, and out in the afternoon, then one could pay her half, but I do not think it fair that because a girl can do a little housework, a little dusting, that you should not pay her. We are careful, however, to see that she does not do work.

5573. After your long experience in administering the society in the old days, do you think that any other system is practicable?—I do not think so.

5574. Your members had a free choice of doctor in the old days?—Yes, we had no doctor attached to our society.

5575. You had no medical benefit?—No. The only way in which we had a medical benefit was this: In 1778 there was an old York dispensary established, and our society had the privilege of subscribing and giving dispensary notes to such of our members as wanted them. Very few wanted them, because you see it was a charity.

5576. You do not provide any medical benefit for them?—No, we do not.

5577. What work would you allow a woman to do at home?—We do not allow them to do any. We tell them that they must not even take a kettle off the fire.

5578. Before the Act you found such a regulation necessary?—Yes.

5579. Otherwise, the claims would have become excessive?—We felt that we ought always to be guarding the funds.

5580. My suggestion is that if you do not have very stringent regulations, the sickness becomes excessive?—Yes.

5581. You think that it should be made a little bit irksome?—It should be very carefully watched.

5582. Do you sometimes find that women go to work, when they are really not fit to go?—I certainly do.

5583. And when it is inadvisable that they should go to work from an health point of view?—Oh, yes.

5584. You would not be prepared to say that the fact that a woman was at work was the best criterion of her being able to work?—I should not. I think

(Footnote—continued.)

stomach, 1; operations to appendix, 2; gynaecological, 1; phthisis, 1; onychia, 1. Total, 29.

Other workers, 27; under 25 years of age, 12; over 25 years of age, 15.

Under 25 years of age:—Fainting attacks, 1; influenza, 4; diarrhoea, 1; anæmia and cardiac, 1; gastric ulcer, 1; rhinitis, 1; tonsillitis, 2; anæmia, 1. Total, 12.

Over 25 years of age:—Abscess of throat, 1; influenza, 2; phlebitis, 1; lymphangitis, 1; bronchitis, 2; cardiac weakness, 2; fracture of radius, 1; tonsillitis, 1; dyspepsia, 1; rheumatism and cardiac, 1; colitis, 1; feverish cold, 1; operation (nasal), 1. Total, 15.

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[Continued.]

that they go as long as they can. I would not like to say that all these young girls have gone as long as they could. I would like to guard myself against that.

5585. You find that the sickness is increasing as years go by among the younger members. I gather that there is more sickness than twenty years ago among the younger members?—I think that in the first quinquennium there was more sickness among the younger members. It is only because our membership has jumped up.

5586. (Mr. Mosses.) You allow members who leave York to remain members of your society?—Yes.

5587. What provision have you for paying these members, and for visiting them?—I do not pretend that we have done it by any means all over, but when possible we appoint some lady we know. In one case a clergyman's daughter has undertaken it, and in another case a personal friend of my own has done so. We have only about six places where we have yet got visitors, but we are careful. We write to the members constantly. We rely upon their word and declaration, and upon the signing of the continuing certificates, and upon the doctor.

5588. You insist upon the continuing certificates?—Yes, every week.

5589. And you rely upon the doctor?—Yes.

5590. Practically the great majority of your members are either domestic servants, or are working at Messrs. Rowntree's?—That is so.

5591. You said that the conditions which obtain at Messrs. Rowntree's are very favourable?—Yes.

5592. The girls get good wages, and really there is no inducement to them to go on to the fund, if they are able to work?—I do not think so.

5593. Is it a fact that the firm have a compulsory sick club in connection with the works?—It is not compulsory.

5594. It is voluntary?—Yes, it is voluntary.

5595. Is it largely taken advantage of by the girls?—I know of a great many who belong to it, but I could not say what proportion of the employees belongs to it.

5596. Could you say how many belong to Rowntree's voluntary sick club, and to your approved section?—I could not say how many, but quite a number do.

5597. Those who belong to the works club would be subjected to the supervision of the medical man attached to the works?—They would.

5598. So that you have two doctors?—Yes, and not only so, but every girl off sick at Rowntree's is visited by one of the social workers.

5599. So that the circumstances are altogether unique so far as Rowntree's employees are concerned?—I should say that they are.

5600. You have a double medical supervision, and you have some women's guild?—Rowntree's social workers visit every case off for any reason whatever. Every sick case, I believe, is visited once a week by the social worker.

5601. Then in addition to that you have the machinery of your own organisation?—Yes.

5602. And so far as the domestic servants are concerned, they are under exceptional circumstances too? A domestic servant will not be off work, and on the funds, for a small ailment such as a cold?—I think that we have only had two cases of domestic servants going on the fund whilst in their mistress's household. All our servants ill have been ill at home, so that they really have been ill.

5603. That is those who have gone on your fund?—Yes.

5604. It is not the practice in York for a mistress to turn her servant out?—Oh, no. I think that she would let her get well in her own house without putting her on the fund.

5605. So that you are fortunately circumstanced?—I suppose we are? I should like to say one word as to the extraordinary sickness we have found among the factory workers, compared with the domestic workers. I am sure that one knows that their home conditions

are not so good as those of domestic servants, and also that they are not wise in their feeding.

5606. A domestic servant does not live at home?—No, but I put the health of the domestic servant down to the fact that her home conditions—the place where she sleeps and eats—and her food are good. We all remember how, as young people, we were unwise in our eating. Some of us perhaps were not allowed to eat improper food. I know that these girls eat a lot of un nourishing food. One of the girls told me that she would not avail herself of Rowntree's dinner, because she liked better to lunch off a sweet cream or something of that sort. I think that if we could do a little more to teach them how to feed, we should do away with some of this debility, anæmia, and gastric catarrh.

5607. That is educational work, of course?—Yes.

5608. The sum and substance of your evidence is that you are exceptionally fortunate in your membership?—I suppose that we are, if it comes to that.

5609. And to that you attribute the comparatively low rate of sickness pay?—Yes, I had not thought of it, but I suppose that is it.

5610. I take it that is so from the evidence that you have given?—Yes.

5611. You have got very elaborate provisions in your rules for meetings?—Yes.

5612. I take it that all your officers are women?—Yes, entirely women.

5613. Although the secretary is a man?—Not of the Insurance side, but of the private side. He does the finance. He does not do any administration whatever, except to sit four times a year to receive the payment of the members.

5614. Do you find that the girls take very much interest in the administration of the society?—I am afraid that I cannot say that they do.

5615. Do they attend the meetings?—They did not attend our annual meeting of the Insurance section at all well. We had a special meeting for the Insurance section, and it was not well attended. We have over 900 members in York, and I do not think that we had 200 present. I am afraid I could not say that they are interested in the administration. They want us to go on administering it for them. We are constantly telling them that they must administer this club for themselves, and they point out that they have not the time.

5616. At all events you give them every facility for identifying themselves with the administration, of which you regret that they do not take full advantage?—Yes.

5617. (Mr. Warren.) I take it that you do not claim to have a complete system of sickness visitation?—I do not, indeed. I say that we have done the very best we could, and we believe in it very much.

5618. Would you tell us how you can strictly carry out Rule 13 of your rules as to the conduct of members while in receipt of benefit?—I must tell you that we have not got our sick visitors up to the pitch of perfection, but we hope to get them. Every sick member in York has been visited several times. We try to get Rule 13 obeyed through the sick visitors, and by pointing out to the girl herself that she should have a care for the club, that we are only cyphers, that it is her club, and so forth.

5619. You think that you are able to enforce Rule 13 as to the conduct of members while in the receipt of sickness benefit?—Yes. I think that we do. We have once or twice found a girl out after hours.

5620. If you have no complete system of visitation, how do you acquaint yourselves as to how they deport themselves?—At present these girls are much more law-abiding than men. We have not quite got out of our servitude yet, and we find these women wonderfully law-abiding.

5621. In those cases in which you have found them breaking the rule what have you done?—We have not yet done anything. We found a girl out after hours. We visit at the hours they are supposed to be in.

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5622-24. And I suppose you cautioned her?—We cautioned her not only for the sake of her own health, but for the sake of other people.

5625. Have you had any members in hospitals?—Yes.

5626. What have you done under section 12 as to their benefit?—We had great difficulty at first. Because they wanted the money badly and we did not let them have it, we got into hot water, but now we give it to them when they come out.

5627. Have you made arrangements with the institutions to pay in any case?—We were about to do so with regard to some convalescent homes before the Act was altered, but now we see no reason to do so.

5628. Do you in all cases satisfy yourselves that the illness does not arise from accident?—Yes, we take great pains about that. We have had several accidents, scalds, and so forth.

5629. Have you had compensation cases?—Yes, we have had several.

5630. Have you had any difficulty in respect of paying the benefit?—When we have had such a claim, and have found that it is due to an accident, we have put the girl on to claim from the employer. In one case we had to get a lawyer to write to get the money for her.

5631. Have you in all those cases been successful?—Yes, that has been all right.

5632. At any rate no benefit has been paid from the sickness fund?—Not for accidents.

5633. Have you had reason at any time to suspect a member of malingering, and, if so, what steps have you taken to investigate the case?—We have not investigated any case. We had, for instance, the case of a woman with a broken arm. She was going to her employment, so that there was no accident which could be paid for by law. She came herself for the money, and we used to say to her: "You have been a long time. I am afraid you will have to begin to get to work again soon." That is how we try to deal with them personally.

5634. But you have had no number of cases where you have suspected them?—No, we may have had two or three cases where we have had to say "It is time you went to work; ask the doctor whether you cannot go to work."

5635. Have many of the claims been for what are termed minor complaints, although that is rather difficult to define?—I should have said yes, but after all they are all illnesses, except debility and anæmia. Indigestion is really an illness. In the majority of our cases they are not laid up, seriously ill in bed, and in that sense they are minor ailments.

5636. Have you in any case had to require a sick member to undergo examination by an independent doctor?—We have not done that. I do not think that we have felt the necessity.

5637. Has it come to your knowledge whether the doctors are in the habit of ante-dating or post-dating their certificates?—It has not.

5638. And you have experienced no complaints on the part of the members as to a person having to go from the doctor to the chemist for medicine?—No, we have not. They have not complained to us.

5639. And you have no knowledge of the doctors handing continuing certificates to others than the patient?—We have not come across that.

5640. What, in your opinion, is the principal difficulty you have had in connection with the administration of the sickness benefit?—Of course, we have very few married women; but the greatest difficulty is that our committee feel that we ought not to pay for any illness connected with pregnancy, unless they are laid up in bed. That is always the difficulty in a women's sick club.

5641. Has that been your principal difficulty?—I should say that perhaps the principal difficulty has been, when a certificate for debility or anæmia has been given, to decide whether the girl was really totally unfit to follow her occupation. Taking it altogether our committee has unanimously come to the opinion

that we have not so far paid one girl who could have been doing all her work, though had it been possible for her to do half her work, we should have said that it was possible for her to do it.

5642. Apart from those somewhat minor difficulties, your experience has been satisfactory?—I think that it has been fairly satisfactory.

5643. (Mr. Wright.) Could you give us any idea at all as to what proportion of your members have been to the doctor and received medical treatment without declaring on the funds?—We think that they always come on to sick pay if they go to the doctor. We are inclined to think so.

5644. Are you inclined to think that in no case do they get medical treatment and continue at work?—We have not come across any cases, but we have often wondered about it.

5645. You are in close touch with your members?—Yes, we are very closely in touch with them. We have had this question in our minds. When we have had these slighter cases of anæmia, we have wondered and sometimes said to the member "Do you not think that perhaps with a bottle of iron, you could have done without the sick pay." They have replied, however, "No, the doctor says that I must have rest." Then we, comfortable women, the majority of us, have said, "If we had this anæmia and had that said to us, we should feel that we were not fit to work." Then comes the point that if they had been able to work three or four hours, we might have said, "Work that and rest the remainder of the day."

5646. Supposing that there had been no sickness benefit, do you think that these girls would have been content with a bottle of medicine?—I feel sure that they would have gone on working with a bottle of medicine until they had broken up, or had got better.

5647. (Mr. Davies.) Having regard to this excessive sickness over and above what was expected, do you not think that the girls who are affected were really requiring the doctor before the Act came into operation?—I do.

5648. And you think for that reason that they are now taking advantage of it?—Yes.

5649. And that in the near future the fact that they are able to get this extra help may be the means of reducing the incidence of sickness you have reported to us by giving them a better standard of health?—I do very strongly feel that, especially if at the same time we can go on educating them as regards their food, and go on steadily improving their home conditions.

5650. So that you think that the Act has simply shown us what existed before it came into operation?—That is just what I think.

5651. And that it was required?—I do.

5652. (Chairman.) You used a very striking phrase a few moments ago. You said, "we comfortable women feel that these women ought to rest." Speaking of yourself and of the other stewardesses, do you not think that perhaps a part of your difficulties comes from the fact that you cannot get these women to sit in judgment upon one another?—I do not. We have always had the good of the club and of the Government funds before us, and we have been very strict. We have had sitting side by side with us a working woman, Mrs. Leafe. Do not think that there has been any sort of laxity. We have been very stern, indeed. I only spoke in regard to the certificates for what appeared to be minor ailments. Really there is no medicine so good as rest for these girls. It was nonsense to say that they were able to follow their employment.

5653. I do not want to press you, but still do you not think that to some extent you are saying to yourself all the time: "What should I do if this woman were my daughter?"—I do not think so, though you may perhaps have thought that I meant more than I did. We know now that a doctor is no good whatever without air, rest, and food. What I meant by saying that "we comfortable women have said so," was that these girls must have it, and that it was not for us to say: "You are anæmic and ill, but you can go on and

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Mrs. E. GRAY.

[Continued.]

do that work." If they had done so, they would have dropped. I still stick to the point that we have not paid them where we ought not to have done so, if you interpret the Act in that way; but I understand that others have interpreted it otherwise.

The witness withdrew.

5654. You are quite clear that what led you to your interpretation was a calm consideration of what the words meant?—Oh, yes, very calm indeed. I spoke feelingly, but we have in this never allowed our hearts to run away with our brains; we have not really.

EIGHTH DAY.

Thursday, 6th November 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT:

SIR CLAUD SCHUSTER (*Chairman*).

Mr. WALTER DAVIES.
Dr. ADAM FULTON.
Miss M. H. FRANCES IVENS
Miss MARY MACARTHUR.
Mr. WILLIAM MOSSES.
Dr. JAMES PEARSE.

Dr. LAURISTON SHAW.
Mr. A. C. THOMPSON.
Mr. A. H. WARREN.
Miss MONA WILSON.
Mr. WALTER P. WRIGHT.

Mr. ALEXANDER GRAY (*Secretary*).

Miss E. WILLSON (*Secretary of the Independent National Union of Boot and Shoe Women Workers*) examined.

5655. (*Chairman*.) Are you secretary of the Independent National Union of Boot and Shoe Women Workers?—Yes.

5656. Is it a registered trade union?—Yes.

5657. When did it come into existence?—Two years ago last September.

5658. Have you been secretary ever since it first began?—Yes.

5659. Your society has formed a separate section under the National Insurance Act to carry on business under that Act?—Yes.

5660. How many members are there of the trade union?—We have just over 1,000 now, but at the time we thought of becoming an approved society we were rather late, and were not quite sure whether we should be accepted, because it was stated several times that small societies would not get approved, and a great number of our members joined other societies before we knew that we should be able to get approved.

5661. But you have 1,000 trade unionists?—At present, yes.

5662. How many have you in your approved society?—Between 600 and 700.

5663. Are all these people also members of your trade union?—No. We have thrown it open publicly to all women. That is one of the reasons why we have had so many of what I would term undesirable members from the financial point of view.

5664. How many of the 600 or 700 members of the approved society are also members of the trade union?—Between 500 and 600, nearly 600.

5665. How many members are there who are not members of the trade union?—Between 60 and 80.

5666. The great majority are members of the trade union?—Yes.

5667. All the members of the trade union who are members of the approved society are engaged in the boot and shoe trade?—Yes.

5668. What are these people engaged in who are not members of the union?—In various trades. There are a few in the corset trade, and I believe one or two in the cigar trade, and one or two in the hosiery trade, but we do not wish to take them if they are in the hosiery trade, because they have an approved society, and we do not welcome them, but ask them to join their own approved society belonging to their own trade union.

5669. Your registered offices are in Leicester?—In 72, Rutland Street.

5670. Are all your members employed in and about Leicester?—Almost all. There are a few out of town members.

5671. Where are they?—I believe there are a few in Market Harborough, and one or two a few miles out in places like Wigston, but they would be nearly all within the county borough, though I am not quite sure about Market Harborough.

5672. The great mass of your members are in, or quite close to, Leicester?—Yes.

5673. Does your trade union go to other places besides Leicester, or is it limited to Leicester?—At present we have not opened branches, but we hope to do so. As soon as we have consolidated Leicester, we shall open branches in the districts.

5674. When your union started two years ago, had the women who came into it been in any trade union before?—Yes, we were formerly the Number 3 Branch of the Men's Boot and Shoe Union of Leicester. In the previous organisation the women's position was organised only slightly. Miss Macarthur rendered valuable service some years ago, but unfortunately the membership has gone down again, because there was nobody to look after them. Then, when I was appointed secretary over the women's branch section of the first trade union, I organised the majority of the principal firms, and we became a separate branch of that union, but owing to unpleasantness with the men officials of the union we separated two years ago, and the bulk of the women came away, and we set up an organisation of our own as a trade union. They were trade unionists, and some of them are members of 28 and 30 years' standing.

5675. These women were accustomed to some extent to be organised together for trade purposes?—Yes.

5676. What benefits did your union pay?—5s. a week for three months.

5677. Is that unemployment?—No, sickness benefit, 5s. for 12 weeks.

5678. Was that the same benefit as was paid in the previously formed branch?—Yes, exactly.

5679. Is it still paid?—Yes.

5680. So that the 600 women who are members both of the trade union and the approved society are doubly insured; they are insured for 5s. in the trade union?—Yes.

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[Continued.]

5681. So they are insured for 12s. 6d. per week?—Yes.

5682. Do you take the view generally speaking that claims are being made on your society which are in excess of what is proper?—There is rather a different way of looking at it from that which appeals to some people, who were not accustomed to dealing with women previous to the Insurance Act coming into operation. I used to find quite a number of our members who were really most loyal to their union and its rules, because if they were ill, I have known them to be away from the factory for two or three weeks, and really ill without claiming benefit.

5683. That was under the old arrangement?—Yes, before the Insurance Act came into operation. They were most loyal in that respect, and the reason they felt that they could not conscientiously claim the benefit, was because they believed that it would really cost them more than the 5s. which they would get, as they would have to pay for every little thing that they wanted to get done.

5684. 5s. was the benefit before the Act came into operation, but since the Act came into operation they get 12s. 6d.?—Yes.

5685. What has been your experience since then?—They are taking advantage of the two benefits. I do not think that, strictly speaking, I could say we have one who has deliberately attempted to defraud the society, but I do think that formerly they felt they were not fit to work, but could not afford to knock off work, and they can better afford to do it now, as they have something to depend on now while they are out.

5686. Do you think that they are knocking off when they are incapacitated, or when they are not incapacitated from work? If they are only knocking off work when incapacitated it is all right, but I rather understood the suggestion was that they were knocking off work when they might quite well have gone on working, though they did not feel very well?—I do not say that people who have knocked off work have not been ill, because they have, but they have worked to an unlimited extent previously. I do not think there is one of them who is not bad, and hardly fit to be at the factory, but previously some of them have worked with a greater determination not to stay away from the factory. They would not give up until they were absolutely compelled. I think there is a misunderstanding of the principles of the scheme all round, and for this reason, that when the lecturers came to Leicester before the Insurance Act came into operation, they made it publicly understood that people need not wait to be thoroughly prostrated with illness, that the object was to prevent what might be called prostrating illness, and that as soon as they did not feel very well they could go to the doctor, and he would say that they should have a week or two on the sick fund, so as to prevent what might be serious illness a little later on; and, I think, a great many have taken that view. They are not prostrated with illness, but many of them are not fit to be at work in the factory. The strain of the factory system is very great.

5687. Let us distinguish. There are people who are quite ill, and who ought to be in bed?—Yes.

5688. Then there are people who are not prostrated, but who, everybody would agree, ought in the circumstances which you describe to go to bed, as not being fit to stay up. I am not asking about those classes, but whether people are making claims on your funds who are in neither of these classes, but are just feeling seedy, feeling run down; do you find claims coming from that sort of people?—I have thought so, because I have rung doctors up, when I have been surprised at some of the certificates. In fact, I have visited them.

5689. Do you find such a thing as stopping away with a headache?—A doctor did put headache on a paper, but he has put a number of different things.

5690. Have you had any with toothache?—No, but a very large number with debility and general debility.

5691. Of these 600 or 700 women, how many are married?—The majority of those claiming benefit are married.

5692. In the first place, how many members of the society are married, and how many are single?—It is most difficult to say, because we often do not know when they do get married. They do not trouble unless we happen to hear of it, and then we send to them to get the change of name notified.

5693. Have you not some idea?—I should say that more than half of them would be married.

5694. Is it the custom in the boot and shoe trade for women to go on working when they are married?—Yes. They go on up to any age.

5695. At what are their husbands occupied?—Many of them are in the boot work, and I think that that is one of the reasons why so many of the women are obliged to go out to work. The introduction of machines often throws the men out of what may be called a permanent job, and then they get anything they can to do.

5696. What does that mean?—They would get an inferior position in the factory. Sometimes they would not get into that factory at all. They have to take anything they can get in any other trade, unskilled labour. Of course, they would not get anything like a proper wage for that class of work.

5697. What wages do the women get in the boot and shoe trade?—The wages were very much poorer before I organised them. Since they have been organised, the majority of our women would get from 11. to 27s. or 28s. a week.

5698. What do the men make in a week?—It varies. It depends on the kind of machine which they work. With some the minimum wage would be 30s. Others get over that. Of course, those on piece-work would get very much more. The women can earn anything from 20s. to 26s., 27s. and 28s. We have exceptional women who will get 30s.

5699. What is the character of the work? Is it hard physical work?—For a considerable time the work in the factory has been very strenuous. It is not so much the amount of labour or physical strength that is required, but it is the constant rush which puts the strain upon the women.

5700. The nervous strain?—Yes. They will have these nervous breakdowns, yet they will be constantly walking about, and not in bed at all, but not really fit to go to the factory.

5701. Have you any out-workers? Is any boot and shoe work done at home?—There is a little, but not so much as formerly.

5702. How many out-workers have you in your society?—Very few indeed. Sometimes I hardly know whether they are outworkers or not, because they will simply take another card.

5703. But you know on your union side?—Not always.

5704. Do you find many claims for sickness benefit coming forward to be paid during pregnancy?—A large number.

5705. Is the pregnancy stated on the certificate?—Yes, and weakness due to pregnancy.

5706. In what month would you get these claims?—That is one of the features of the case. They sometimes come on two or three months before.

5707. Do you get certificates in these cases?—I have rung doctors up, and sometimes they are rather insulting. In one case he was very insulting to my assistant, because he was asked for more information.

5708. What did he say?—He was going to call her a liar, and then he drew back. But I have asked particularly if they could give another reason. Of course, on the union side they know they cannot claim sickness benefit unless they put something else in the certificate.

5709. On the union side?—They cannot claim for pregnancy on the union side, nor under a month afterwards, but they had something else on the certificate.

5710. Do you mean to say that on the union side you pay when something else is certified, although it is a case of pregnancy, or do you never pay for any disease at all during pregnancy?—Unless the doctor stated that the disease was sufficient to render the woman thoroughly incapable of work, apart from pregnancy.

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5711. If there is some disease like varicose veins, or some such complication?—Anything that would prevent her working during pregnancy, because usually they have worked up to a very short time before confinement.

5712. One can imagine circumstances in which the doctor would say that a woman was pregnant and could not work, without his alleging any specific disease. Suppose there were a certificate of pregnancy and being absolutely incapable of work, would you have paid for that on your union side?—No.

5713. There must be something besides pregnancy?—Yes. With regard to the insurance, the doctors tell them they must go on the insurance.

5714. In what circumstances?—With regard to pregnancy. There is a woman who brought in a certificate. I happened to be forewarned that the certificate was coming on. I am getting the list of all who are likely to come forward with a certificate like that, and I am watching for them now, so as to prevent any more claims being made, as it is absolutely necessary. The certificate to which I am referring stated vertigo. I looked up the medical dictionary, and it stated giddiness. So I rang the doctor up on Saturday morning and asked when the woman was expecting the confinement, or if he knew. He said he did not know. I said, "I have a certificate from you stating that she is suffering from vertigo," and he looked up the name, and said, "She had very bad pains in the back and cannot work." I said, "It says vertigo, and the medical dictionary says that that is giddiness. I understand that the woman is very advanced, and I suppose you know that such claims are not allowed unless there is some specific disease." He was rather vexed. He said, "There must be something else, because I should have put on it 'pregnancy' or 'advanced pregnancy.' I always do it." I said, "You have not done it in this case." He said, "There must be some other complaint the matter with her, or else I should have done so." When the woman came in, I said to her, "You are nearly ready to be confined," and she said, "The doctor has not put it on the certificate." I said, "He has not, but of course you know there is nothing else the matter with you." She said, "I have got pains in the back, and do not feel very well." I said, "You do not expect to feel well just at this time." In fact, it would be hardly natural to feel quite as well as usual. How is it that the doctor has not put "expected confinement" on your certificate? but she did not tell me much. I said, "Does he know when you are expecting to be confined?" and she said "Yes, this month"; "because," I said, "I have asked him and he said he did not know." She said she did not feel well, and she thought she would have to leave off, and the doctor had said, "You ought to have left off before; you must go on the insurance; you are not fit to work." Of course, I do not think the woman is fit to be at the factory, but she is not totally incapacitated. She argued that she was not fit to do housework. "Of course," I said, "not anything heavy"; but I always understood that it is best for these people to be as active as possible; of course, just at light work, and I said, "You could do light things."

5715. In this particular case which you have described you take the view that the woman was not fit to work in the factory at the boot-and-shoe work?—Yes.

5716. But that she was fit to do light household work?—Yes.

5717. Do you think she would be fit to do the family washing?—No, nor house-cleaning; but I think she could do light washing-up or anything of a light nature. Of course, the woman was not fit to stoop about, nor do anything heavy.

5718. What sort of a machine have they to use in the factory?—It is not heavy in itself. It is driven by steam. It is a small machine on a table. She has to sit there, and guide her work the whole time. It is sitting in the one position for so many hours at a stretch that causes a strain. I do think that they ought not to work in the factory for a month beforehand, but I do not think they ought to come on the sick fund. It is not heavy work. Some of the girls are engaged in

heavier work, such as the eyeletting, which would be very heavy work. The new machines are lighter, but some of the old machines are very heavy. The work is putting eyelets in boots. They have to keep bringing the foot down. It is a very great jerk on the body.

5719. There is no such jerk on the body with the ordinary machine?—No, but there is the sitting in the one posture for four or five hours at a stretch.

5720. Is the eyeletting work sitting work?—Usually it is. Sometimes they stand, now and again.

5721. Have you any sick visiting in your society? We have one sick visitor, and she is one of the oldest members of our society.

5722. Is she a whole-time sick visitor?—No. She does it in her spare time.

5723. Do you pay her for it?—Yes, 2s. 6d. per week for visiting, and she visits every member, unless they are in hospital, or away in homes, or out of town with friends.

5724. Was she a sick visitor for the union?—Yes.

5725. Does she still act as sick visitor for the union?—Yes.

5726. She must have her hands pretty full?—Yes. She works pretty hard.

5727. She has got to visit upwards of 1,000 people?—When they are sick. Some of them are never on the sick fund.

5728. What is the average number of people on the sick fund at any given moment?—Recently the average has been almost 40 per week. Some weeks it would be a little over, and some weeks a little under.

5729. Does she visit everyone of these 40 persons in the week?—Yes, unless they are away. Some weeks there might be half a dozen away.

5730. Does she go as far as Market Harborough?—She has not done so yet.

5731. Every person on the sick fund is visited once a week?—Yes.

5732. Is the visit paid to find out whether the person is obeying the rules, or what is it done for?—It is in one sense; and she is a very capable woman and tells them very plainly what the rules are and gives them a lot of advice with regard to working and getting on. She is not a woman that would encourage them to keep on the funds.

5733. Is she a woman who has had any special training to teach people how to get better?—No. She is a very energetic woman. She would not be on the sick fund herself if possible. She does not give away easily. She would encourage them to try to start to work.

5734. May I ask you how old she is?—I daresay over 50.

5735. Is she married?—Yes.

5736. Does that woman manage in her spare time to get around to do your sick visiting?—She does not go out to work at all. In fact she has gone out to Wigston this morning. She goes out to oblige me at any time, whether morning, afternoon or evening. She has two daughters at home, and she has older children who come home for dinner, and she cooks for them.

5737. And does the housework?—Yes.

5738. You pay her 2s. 6d. a week for this?—She is paid for the union sick visiting also. She has 4s. altogether, 1s. 6d. for the union and 2s. 6d. for the State side.

5739. Do you tell her where to go to visit?—She has a list every week of all the members who are on the sick fund.

5740. Does she report to you?—She reports every week.

5741. To you, or to the committee?—It is on the paper, and the committee see the reports.

5742. Suppose that she reports that in her view somebody, who is on the fund, ought to be struck off, what happens?—I should ring up the doctor, or go to him and ask him if he had really examined the woman, or if he did not think that she required an examination.

5743. How often have you done that?—I have rung up quite a number, but I have sent the honorary president to one doctor, and I have been to him myself.

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5744. I want to know whether you are talking about something which has been done once or twice or frequently?—I have had that class the whole of the time, but it was only recently that we felt that there was a great deal of laxity on the part of the doctors.

5745. Do you know how many doctors are in fact attending your 500 or 600 members?—It is rather awkward to say, because sometimes their assistants would sign for them, or, if they happened to be away, they would have someone in charge, so that you would have two different names for the same person.

5746. Is there any particular doctor who has got the great mass of your girls?—No. I think it is rather general, though some doctors are more strict in refusing certificates than others.

5747. But no great number of them have gone to a particular doctor?—No. They seem to be pretty generally distributed.

5748. You have been to the doctors, and you give a rather unfavourable account to the Committee of their reception of you?—He did not seem very pleased to see me. He seemed rather annoyed. In fact they all seemed very much annoyed when I have rung them up to ask about certificates, because they have asked whether I thought they would have given a certificate unless they were really satisfied that the person was unable to work, and I said of course I did not want to make any charge whatever against them, but certainly I did not think that the person seemed so ill as to account for such a length of time on the sick fund.

5749. What answer did you get then?—An argument to the effect that these people only get stew and that kind of stuff to live on, and that there is really nothing in them. I am bound to say that some of them are very poorly nourished. They seem to have nothing to fall back upon.

5750. They are in a poor state in your opinion?—I am bound to say that they are so, but I have thought, in fact I have said repeatedly, that they ought to have been thoroughly examined to see what actual disease they were suffering from.

5751. You suggest that they were not?—I know they were not examined. They told me so.

5752. Do you say as a general statement that when your members have been to a doctor to be treated for what is supposed to be their disease, as a general rule the doctors have not examined them when it is necessary?—I do not know when he would say it was necessary, but I always ask if they have been medically examined. Of course perhaps they would call it an examination just putting the stethoscope on the chest or back, but I mean a thorough medical examination, in which the stethoscope would be put on all the chest, back, and sides.

5753. If I go to my doctor and he insists on sounding me all over, and listening to all parts of me, running the stethoscope over me, I get very much annoyed, and I do not know whether they might not take the same view?—My idea was this: when an insured person had been any length of time on the funds, say four or five or six weeks, it is necessary to have something of the kind. I do not mean in the first instance.

5754. Do you suggest that when members have been a long time on the fund, and have not been properly examined, that circumstance ought to be called to the attention of the doctors, and something ought to be done?—Yes. I have asked them if they had been thoroughly examined, and they have said no.

5755. Do you mean if they stay long on the fund?—Yes. Whether they have examined them afterwards I really could not say. They might have done so, if they made any remark about it being necessary.

5756. You get a certificate when they come on the fund?—Yes.

5757. You get continuing certificates?—Yes, but I did not supply them until recently. We have had the initial form, but until recently we have not been asked for the continuing form. One of the doctors asked for it, and he was very vexed because we had not got one. He said he would not give another until he had a form sent him. He was the only doctor who asked for it. I said I did not know whether

he was entitled to demand a form. I thought he was obliged to give one. But I sent him a typed copy, because we had not decided what form to get.

5758. You have been having continuing certificates of some kind?—We have had certificates from the doctor, but the society has not supplied them.

5759. But you have been getting certificates all along?—Yes; we should not pay out without a certificate at least once a fortnight.

5760. But at first you were taking them from the doctor, and they were giving them on what forms they liked?—Yes, they have been doing it. Of course they are printed "National Insurance." They have also their own private forms.

5761. You have been taking the form that the Commissioners supplied, and using it as the continuation form; that is what it comes to?—We have had one in a fortnight.

5762. Now you are using another kind of form which the Commissioners have suggested?—Yes. Up to the present the reason why we asked for the certificates is because we want to know what is the complaint, and I am not quite sure whether they really put the full name on those continuation forms, or whether they only initial it.

5763. Do you find any difficulty in getting forms filled up in such a way as to give you the information you require?—Yes. When I asked for these certificates from the doctor, I have had as many as six or seven different complaints for the one person.

5764. What are these complaints?—Such as rheumatics and weakness, nervousness, I cannot read all of them.

5765. What did you do when you got that? Did you go and remonstrate with the doctor?—Yes, and I asked him whether it was possible that the woman had all these complaints, and was still walking about.

5766. What did he say to that?—He was rather annoyed, and asked whether I thought he would give a certificate if a person was not ill. I said it was amazing that anyone could be suffering from all these complaints and still be walking about, and that I wished he would take particular notice. He said—this was the doctor's complaint:—"People come here with all sorts of tales. They tell me they have got pains here and there. In fact they are full of aches and pains, and where there are so many to see (there are between 70 and 80 a day) it is impossible to take particular notice of everyone."

5767. Do you mean that so many people passed through his hands that it was impossible to recollect what happened to that particular woman, or that it was impossible to take particular notice of each patient?—I have had similar statements from others. I think they put what they complain of on the certificate. That is the excuse they give me when I say, "You have put such and such diseases on the certificate," that there is no time, when they have between 70 and 80, to look at everyone, and see what is the actual disease, and they put in usually what they complain of.

5768. The doctor does something else besides writing out the certificate. He is not merely certifying that the woman has got a pain in her head. He is there doing his best to cure her?—Yes. I do not want to run them down. I really think they have too many to do justice to.

5769. I suppose he gives her some medicine?—He writes out a prescription.

5770. Does he write the prescription, according to what the woman says, or does he come to some conclusion, or does he just pick up a particular bottle, and fill it up with something?—We have had several cases in which I think, if they had been thoroughly examined at the outset, there might have been saved a lot of unnecessary suffering, and a lot of expense on the funds. I think that they have been so much rushed with patients, that they have not had time to do justice to everyone. I do not mean that they are wilfully negligent. I do not think that they have time to go thoroughly into details as to what is the matter with a person, they have such a vast number to look after.

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5771. That really amounts to saying that the doctors from the best motives have been neglecting their work?—I think a great many of them have, without any wilful intention at all.

5772. That being the case, have you made any complaint to the Leicester Insurance Committee?—No, because one of the doctors was on the committee, and I thought he would square himself if I did. In fact he said he would report me to the committee, and he would report every doctor who had given a certificate.

5773. What did he mean by that?—The continuing certificate. Up to then he was the only one who had asked for a continuing form. We have had four or five since who have asked for it.

5774. You have been engaged in labour organising work for a good many years?—Yes.

5775. During that time you have had disputes with people?—Yes.

5776. You have had disputes with employers?—Yes.

5777. You are not really afraid of the doctor on the Leicester Committee?—Oh dear no. I am not afraid of him at all. I have never seen the man yet that I was afraid of. But I meant that unless there was more than one, or unless there was some definite statement to make, I did not want to charge one particular doctor with being negligent of his work, because I claim the right to ask for this particular certificate.

5778. I am not asking anything about the question of the certificate business now. What you have been alleging is a sort of general knowledge that they have got too many patients. I assume you would not state that without knowing what you are talking about?—I think I do.

5779. With those facts in your head, and the welfare of your girls in your heart, why do you not go to the Leicester Committee and lay these facts before them, because, though it is of great assistance to us to be enabled to see the state of affairs in the country, we have got no power to touch these matters?—It is the same cry from almost everyone you speak to.

5780. That is a very bad reason for doing nothing?—It is a general cry throughout the country, because I have made inquiries through all these societies there, and they give me the same explanation, the doctors really are overrun with patients.

5781. Have you used in any way a medical referee, that is to say a second opinion?—There was one woman who, I thought, might possibly be able to work rather sooner than she intended to, because several times when she had said "I am hoping to sign off next week," the doctor had said, "You had better have another week or two, and then we shall see how you are." I was not quite sure about her, and thought I would send her for a second opinion, but in the end she was not fit to work.

5782. To whom did you send her? Do not give me the name?—He was a man of very great experience.

5783. In Leicester?—Yes, and he acts as referee for one or two societies.

5784. Was he on the panel?—He was not on the panel.

5785. Is he a consulting physician in Leicester?—I believe so.

5786. What did you pay him?—I have not paid him yet, because he has not sent in his bill, but he was going to charge me 7s. 6d. I stated to this referee that, if the woman were really ill, it was only right that she should have better attention, but if he was of opinion that she really could work he should state so, and that he was to make a thorough examination. He said he would. When the woman came up to see me she was very vexed, and said that he had not examined her at all, and I state this because I think it shows that a great deal of tact is required on the part of a medical referee.

5787. What was the matter with the woman?—It was a miscarriage case. I think this was the eighth week, and I thought that that was a rather long time to be on the funds. There was a bad nervous breakdown, and the doctor said she was not fit for work, but probably would be able to work in a fortnight. But

when she went in, I thought he would examine her and that he would not say anything as to whether he thought she could work or not, until he had examined her, and then if he found that she could work, he would tell her he did not find anything particular the matter with her. Instead of that she told me he said to her, "Come, now, you have been on the funds a long time," and she said she thought she would be fit to go to work in a fortnight, and he said, "You have said that so many times." Of course, the woman was rather surprised that he should say that to her, seeing that he was a stranger to her, and she said he examined her chest, put his stethoscope on her chest, which was no more than her own doctor had done. He just sent on a letter to say he found her to be incapable of work, but he thought she would be able to work in about a fortnight.

5788. Has she come off the fund since?—Yes, she was just off in the fortnight. Then her own doctor was very vexed because she was sent to this doctor.

5789. Did you tell her own doctor before she was sent to this doctor?—I did not tell him.

5790. Who told him?—When she had my letter asking her to go to this doctor to be medically examined, she took it up to her own doctor. Then she brought it up to me, and she was very vexed at being sent to another doctor, and she said her own doctor said that if I had asked him to have examined her thoroughly, he would have done so. "But," I said, "he has not done so up to now, and you have been eight weeks on."

5791. Have you made a general agreement with this other gentleman to send him any cases, and to pay him 7s. 6d. for each?—I asked him what his fee would be, of course, and whether he would act as referee for the time being, until it was known what would be definitely done.

5792. Would you like to have an arrangement by which there would be a referee to act for you and all the other societies?—Do you mean with the same one doctor?

5793. I do not mean the particular man?—I think we shall be obliged to have a referee a little later on, but this society is thinking that it would prefer a woman, as women object strongly to being examined by a strange man.

5794. What happened apparently was this: she did not like being examined by a strange man. May not that have something to do with the strange man not examining her?—I fancy it was the way he spoke to her, that made her fire up.

5795. What I want to know is, did he refrain from examining her, because she objected?—I really do not know that, because he said he would examine her, but when he spoke to her as he did, she fired up.

5796. You would like, then, that there should be a referee whom you could get easily?—Yes.

5797. You think that a woman should be sent to a woman referee?—Yes.

5798. Would you prefer that that referee, whether a man or a woman, should be a person specially attached to your society, or appointed by your society, or appointed by somebody outside?—I do not think that there would be any objection to either course.

5799. You have got no view on the matter?—Of course at present I do not know any of the doctors well enough to be a judge of them.

5800. Suppose he was appointed by some outside body?—Do you mean a referee for the whole of the town?

5801. Suppose there was such a referee appointed, would you prefer that he should be appointed by the committee or the Commission?—The Commission.

5802. Why do you prefer the Commission?—I think they would have more weight. Of course it is really doctors' work, and the doctors have been appointed by the Commission, or in a sense they are under the Commission.

5803. Can you say what you have been paying since the Act came into operation, either per quarter or per week, or so much per member per week?—Do you mean what has been paid out in sick pay?

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5804. Do not trouble about maternity benefit for the moment?—In the first quarter the sick pay was 87l. 0s. 10d.

5805. What would that represent per member per week?—The number of members in receipt of sickness benefit was 65, and the total number of weeks paid was 244 weeks 2 days, and that averaged roughly about 3 weeks 4 days.

5806. Now the second quarter?—The amount was 170l. 7s. 1d. The number of members in receipt of sickness benefit was 108. The total number of weeks paid was 479 weeks 3 days, and it averaged roughly about 4 weeks 2½ days.

5807. Have you any figures for the third quarter?—Yes. Sickness benefit was 186l. 6s. 8d. The number of members in receipt of sick benefit was 109. The total number of weeks was 501, and the average roughly was 4½ weeks and just a fraction.

5808. What do these figures come out at?—I believe between 4d. and 5d. per member per week.

5809. Averaged over the whole three quarters?—It is rather worse I think for the third. I have not gone through it fully, but I think that that is roughly right. We have 14 members who have received a great deal of benefit. Before and after confinement they have received 57l.

5810. 57l. apart from the 30s. maternity benefit?—Not altogether. They have received 37l. 10s. more than they would have received if they had been receiving just the 30s. maternity benefit.

5811. Are they married women?—Yes.

5812. There is the maternity benefit of 30s. besides the 7s. 6d. a week for four weeks after confinement?—We do not pay the 30s. maternity. We have only paid it in two cases, because they have had it from their husbands' society. Then they have come on for the 7s. 6d. for four weeks. There were 13 cases before and after confinement, and one before confinement. She is not confined yet. She will be this very month. That is 14 bad cases altogether, and the total of the excess has been 37l. 10s. That is more than the month's pay. Then we had cases of miscarriage, and they are having 15l. among them, they were on so long. I think one of them was on for 13 weeks, one for 11 weeks, and two for 8 weeks. There would have been a saving of 9l. if we could have struck those off at the month's end, the same as in the case of the maternity benefit. When the Act first began to operate for sickness benefit, I did knock them off at the month's end. I did not think they were entitled to any more. Then I heard that they were asking to claim again. They said they knew other societies were paying. I made several inquiries as to whether that was so or not. I found a number of societies were paying. So I went up to the inspector at Leicester and asked him, and he said I would be bound to pay. I said that I had been knocking them off at the month's end. He said I was not justified in refusing the benefit to them, if they had a doctor's certificate stating they were incapable of work. When I went again, I saw his assistant, and he sent me down the handbook to the administration of sickness and maternity benefit with a mark on page 28 to call my attention to it, to say that I was not justified in refusing payment of benefit, nor yet in knocking them off at the end of the month.

5813. Do you think that these women fully realise that it is their own money they are drawing out in this way?—No. I do not think they do.

5814. Cannot you get that into their heads?—I wish I could. I am trying very hard because it is coming very hard on our union funds. In the last quarter our union sick pay has more than doubled.

5815. Do you put that down to the fact that they come on both funds at once?—Yes.

5816. Do they not understand that when they have finished the union pay, there will not be any left?—I am bound to look at it from the standpoint of the women who are really ill. Previously they did not come on the union fund, when they could have done so, and were really entitled. They would try their utmost not to do so. That is one of the reasons that I put down now for our own fund being decreased.

5817. Very likely there might be a great many who did not come on the fund who should do so, but I should have thought that the first requisite for running a society successfully was to get into the heads of the members that it was their own money that they were spending?—Yes, but it was previously put into the heads of the public that as soon as ever they were ill they could come on the funds, and it is difficult to get it out of their heads.

5818. However publicly you give permission to people to spend their own money when they are ill, they might fairly understand that it is their own money?—They do not seem to realise that in the least. I am trying my utmost to make them see it.

5819. (Miss Macarthur.) Can you give us the exact number of your members?—I can hardly give it now. We have had a few transfers.

5820. Would it be 650?—No. It would be a little over 600. I can hardly say for the moment because the transfers are not completed.

5821. At the beginning you paid rather more generously than you are paying now?—No. We stopped it at first, and now we are trying to check it.

5822. But in the first two quarters you paid for pregnancy?—Yes. The first quarter we paid, but we knocked them off after confinement.

5823. You did that from the beginning?—Yes; we started with that.

5824. Then you changed?—I was told I was not entitled to do that, and that the members could claim.

5825. I want to know over how long a period you paid for pregnancy, and for incapacity after the four weeks?—Almost the whole time. When I started I stopped it, but I was only doing so for a few weeks, when I was told that I was not justified in stopping it.

5826. Are you applying a different rule now?—I am trying to knock them off at the end of the month, because the amount that is claimed is getting something terrible.

5827. Are you meeting with any success?—I knocked one off last week, and I am striking another off this week. I am refusing one on pregnancy, and I stopped the other a fortnight ago. I told them that they would have the month at confinement.

5828. What is the reason for doing this now?—I have heard it stated several times that some societies were not paying for pregnancy, and the inspector told me that some of the societies were not, and that is what I am in a fix over, whether I am entitled to stop it.

5829. Would it be correct to say that the reason why you are trying to apply this new rule now is because your society is alarmed at the extent of your sickness?—Yes, I am really alarmed over it, and of course it seems to be the general idea, that they are entitled to come on the sick fund as soon as they cannot keep at the factory any longer, and that when they lose the money in the factory, they are entitled to come on the sick fund, if they are not able to do factory work.

5830. You stated that doctors have given certificates attributing a number of diseases to the one person. Have you got any of these certificates with you?—No, but there were as many as seven or eight diseases for one person.

5831. In one of these cases did the member consult a doctor privately?—Not in that one.

5832. But in one of your cases?—Yes, we had one member who consulted another doctor. I believe she consulted two, and was paying for private treatment for, I think, neuritis in the arm, and she was at great expense to try to commence work again, but she could not commence for a long time.

5833. You say in your outline of evidence "several" claims have been treated for the wrong complaint, "thus causing unnecessary suffering and expense, and" have paid for private treatment?—Yes, there was another case suffering from almost the same complaint as the first case. The doctor stated that she had not been treated properly at first. Then she went under a lady. He advised her to see a lady to have massage treatment. It did her a lot of good, but it was a very expensive job, and she paid for it privately. Then in

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another case the member has been paying privately, because she thought she would get better treatment. She was not satisfied.

5834. (*Dr. Pearce.*) What was the matter with her?—Neuritis in the arm, the use going out of one of her arms, and the illness is going into her foot as well. There is another case, a very bad case of consumption. She went to a second doctor, and he told her that she had not been treated properly at first, or she might have been saved a lot of suffering. There was another case in Market Harborough, which was treated for the wrong complaint.

5835. (*Miss Macarthur.*) Some of your members have, I understand, not been properly treated by the doctors?—Yes.

5836. They have gone to other doctors, and got other treatment?—Yes.

5837. They have informed you that the doctors in certain cases have corrected their treatment?—That is so. I had one young woman who came on the funds for a good while. I think they refused her in one home on account of being a consumptive case. She went to some private friends, and was paid for. The doctor at Leicester said it was heart disease. He transferred her to the place where she was going. There the two doctors disagreed. One says heart disease, and the other consumption. That was the statement she made at the office. I did not see either of the doctors. She was on the funds quite a considerable time. These are four of the cases that claim to have been treated wrongly, and consulted other doctors.

5838. And the other doctors endorsed their view?—Yes.

5839. I notice that you say here in your outline of evidence "that among those that have claimed considerable benefit have been those that up to the Insurance Act coming into operation have taken no thought whatever in insuring themselves against sickness"?—Yes, that is those we have taken on, not our own members.

5840. You say that you attribute your heavy sickness partly to the conditions of life in which the majority live?—Yes. A great many of them are very poorly paid.

5841. I put it that the wages you quoted do not show that?—Not the trade union members. These are women whom we have taken on from other trades.

5842. I put it to you that the average wage is very much lower than 26s.?—Yes. I was only speaking of women in full work.

5843. You are speaking of constant work?—Yes, when they are on full time with plenty of work. What I mean is that it would not pay a trade union member to be on the two funds together, if she could work, and a great many members would not be on the sick funds unless they were really ill, because they can get far more money at work than they would have in the two societies.

5844. Would I be wrong if I suggested to you that the average wage of a woman in this industry, taken all the year round, is more like 15s. or 16s.?—I daresay the average would be about that.

5845. I think you admitted members to your society without any medical examination or inquiry?—Yes.

5846. You made no inquiry of any kind?—No, because we threw it open to women of any kind.

5847. You have never refused anyone?—Not anyone.

5848. (*Miss Ivens.*) You say that a great many of the cases which have claimed for many weeks have been married women?—Yes.

5849. I suppose that many of those certificates were for diseases connected with pregnancy and miscarriage?—That is so.

5850. Do you connect those in any way with the cases that have not received thorough examination?—Some of them have really been very bad cases. I mean they have been really ill, almost what might have been termed objects of pity. Some of those that have been on the funds so long have been thoroughly genuine cases.

5851. In such cases in Leicester, is it possible for them to be treated in hospital, as it is acknowledged that those cases would be really suitable for specialist treatment, and would probably get better very much more quickly, if they received such treatment?—I wish there were specialists appointed, because such cases as we are getting on, as well as those which might be expected, could be sent to a specialist.

5852. Is there no facility for the doctors in charge of those cases to send them to hospital?—I do not think there is at present. Most of the doctors have their own cases, I have not known of a doctor sending one to another.

5853. Do they not send them to hospital?—They send them to the infirmary, and they have sent them to the isolation hospital in cases of consumption.

5854. You mention a case where a doctor was rather blamed for giving a certificate of inability to work, where there were giddiness and pains in the back associated with pregnancy. You regarded that as a rather trivial matter?—I thought that he ought to have put pregnancy on the certificate.

5855. That was the complaint, and not that you regarded the ailment as trivial?—No, I thought he should have put pregnancy on the certificate. He did not do that, and possibly he might have taken little notice of the woman at the time. I would not say that he was in any way attempting to give a wrong certificate, but I think that he did not take sufficient notice of the condition of the woman at the time, so as to put it on the certificate.

5856. But might it not be that the doctor, taking it as an accepted fact that the woman was pregnant, considered these symptoms which the woman presented, as perhaps pointing to very serious illness which might be impending?—Yes, it might have been that. Of course, when I have said to the doctors that these certificates have been so unsatisfactory, as regards what is stated on them, they have said that they have put on what they complain of, and that there was more the matter with the women than was stated on the certificate. That is why it is very necessary to have something definite stated on the certificate, because we want to know whether we are entitled to refuse to pay on the certificate with such and such a statement on it. It is most difficult unless we have some decision.

5857. (*Dr. Lauriston Shaw.*) Did your members in the trade union have medical benefit before the Act came into force?—No.

5858. Were most of them in clubs?—Yes, doctors' clubs and these dispensaries.

5859. They are really under the same doctors now as they were before?—Many of them.

5860. But on account of the introduction of medical benefit, there are more of them going to doctors now than ever before?—Yes.

5861. There is an increase in the work of the doctors?—Yes, I think there is. You see this is one of the things of which I think particular notice must be taken. There are so many people, especially among the very poor, who were really not in any club of any kind, and not being in any club, could not afford to send for any doctor. When they fell ill, they would have to go to the local infirmary. Then they provided nothing for themselves. Doctors were not troubled with such cases as those. Now of course they go to the doctor as soon as they feel ill.

5862. I suppose that most of the doctors of this type in Leicester are on the panel. It is not that the doctors have become fewer, but that patients have become more numerous?—That is so.

5863. Do you think your women can well understand, when they have forms to fill, what is on them?—Usually, but they do not read as much as they might. When there is anything in the way of business, it seems as if it almost has to be driven into them.

5864. They could understand a simple statement?—Yes.

5865. Do you have a declaring-on form?—They all sign a form.

5866. To say that they are ill?—The time they took ill, the date, and the hour.

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5867. There is nothing on the form to indicate that the person is entitled to take sickness benefit, only if she is really seriously incapacitated from work. Do you put that condition on the form?—No, it is one of the forms drafted by the Insurance Commissioners.

5868. Do you think it would help them to understand when they might, and might not, draw sickness benefit, if the case was stated to them on a form?—I have got a form out now that I am hoping to improve on in the next few weeks, and I thought if it were stated that payment was only for total incapacity it might have more effect on them.

5869. You feel that they do not quite understand the conditions in which they are justified in drawing sickness benefit?—Yes.

5870. And as far as we could bring home those conditions to them, it would lighten your work?—Yes, the idea seems to be very strong that they really must not start to work unless they are thoroughly fit for work.

5871. Do you think the doctors rather encourage them not to go to work until they are quite fit for work?—That is what the patients say, "The doctor says I must have another week."

5872. You think that the doctor is very wicked when he says they are to have another week?—I do not like to pass an opinion on the doctor, but I really think that he thinks they ought to be thoroughly fit, and the reason that one doctor gave was this, "I want to get them into the convalescent home. I think then they will be more likely to keep off the funds," and most of them do go away to convalescent homes, and up to now they have received sickness benefit while there.

5873. You think the doctor would feel that he would have less chance of ever having to treat them again, if he did so?—That is what one doctor said. They seem to think they must be thoroughly well, before they start to work. In some of the cases it takes such a long time.

5874. (Dr. Pearse.) Do you know if you took many bad lives when the Act came into operation?—I am afraid we did. If we had realised, we might have had an examination before admission. At the same time we did not like the idea of refusing women, being a women's society.

5875. Have you had many cases which, from the early stages of the Act, came on the full sick pay and drew the 26 weeks' sickness benefit?—Some of them did not draw the full time. They would come off after a few weeks, and then come on again, but we have had quite a number who have drawn the 26 weeks' sickness benefit.

5876. Have you any idea of how many of your total of members have been on the sick funds?—Up to the 12th of October I think it was 195 or 196. Out of that number, there is a large number who have been on in the second and third quarter.

5877. (Chairman.) You do not mean 195 separate people?—That is what I do mean, but out of that number some have been on during the second and third quarters.

5878. (Dr. Pearse.) You have spoken about the excessive amount of work of the doctors, and their having to see 70 or 80 persons in a day. Is that fact within your own knowledge?—It is only what the doctors stated.

5879. How many doctors stated it?—Three or four different doctors stated it.

5880. Three or four doctors stated that they are seeing between 70 and 80 persons a day?—Yes.

5881. Insured persons?—I suppose they would mean insured persons. Of course I was ringing them up on account of the insurance, and I think they would mean that.

5882. Have you any knowledge as to whether that has been done by themselves, or with the aid of assistants?—I really could not say that. I have heard the reports of doctors' wives grumbling at their husbands being overworked. So perhaps they do not employ as much labour as they might do.

5883. You do not know whether they have assistants or not?—I do not know. I should imagine that they would be almost obliged to have.

5884. Your knowledge does not extend to more than three or four?—No; they have only made that remark when I have rung them up over certificates.

5885. You would not infer from that, that that is the average of every day?—I do not know; they said between 70 and 80 a day. They might include their private patients, but a very large number are on as insured persons who were previously private patients.

5886. Do you think that many of your present insured members previously used to go to work when they were not fit?—Yes, a great many of them did. They would work until they could hardly work. In fact I know that some of them have been taken home again from the factory. I do not say that now they are really attempting to sponge on the funds, but formerly they felt that they could not possibly give up work, while they had a leg to stand on. Now they feel they can afford to regain the health they have really lost.

5887. Where the doctors have certified that the patients are unfit to work, have there been many cases in which the patients have been fit to work?—I do not think they have been what you might term well. I do not think we have had one case of a member who was attempting to impose on the funds. I did think one person might be able to start a little earlier, but the referee said she was not fit to do so.

5888. (Dr. Fulton.) Do your overlookers advise girls to knock off work sometimes?—I have not heard that complaint.

5889. You have had great trouble with the doctors in Leicester. Is it a fact that the Leicester Insurance Committee allows contracting out on a very large scale?—I really do not know that.

5890. You do not know whether nearly all the members of the friendly societies in Leicester make their own arrangements?—I could not say.

5891. Are your members attended by the same doctors who attended them previously?—Yes, but there are quite a number who have stated that they would like to change their doctor. They have said they were not satisfied with the treatment they received, and think they might do better by changing their doctor. A large number of them say they do not think that they get quite as good attention as they did previously. They say that the doctor really has not time to look at them. Others state that they get just as good treatment.

5892. Are you speaking of those who were in clubs before?—Of those who had dispensary treatment, or were in doctors' private clubs.

5893. In Leicester you have always had a very large dispensary?—Yes.

5894. And still have?—Yes.

5895. With a doctor attending the members?—I think so.

5896. Have you found, when these members change their doctor, when they have been treated for the wrong thing, that they have come off the funds when they are being treated for the right thing?—They have not. There is one case in which a woman is still on the funds. She was on the funds for the 26 weeks, and then she could not work.

5897. Does that show she was treated for the right complaint?—It was really a very serious illness.

5898. Do you expect those members who have been on for 26 weeks ever to come on again?—They can of course, but not for the same complaint. They would not be the chronic cases.

5899. Do you expect your funds to be drained by these particular cases in future?—They are not allowed to draw for the same complaint for more than 26 weeks.

5900. With regard to the cases of miscarriage which were on the funds for a long time, and which you thought were not sufficiently examined by the doctor attending them, do you know as a fact whether the doctors attended these women, when miscarriage took place?—One woman was in London, so she could not have been attended. She went in as soon as she came home. I do not think she was in bed more than a day or two. She was under his treatment the whole of the time.

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5901. You do not suggest that a very complete medical examination need be made after the first time in cases like that?—I do not suppose it would be necessary. When I mentioned this matter, I was referring to cases where we had so many complaints on the certificates. We had so many different complaints, sometimes four and five and even more, on consecutive certificates, and I thought that if a thorough medical examination had taken place those complaints should either have been stated at first, or not stated consecutively, which they were.

5902. You do not expect that every single complaint that a patient tells a doctor she is feeling, should be put on the certificate in detail?—No, I think that if a doctor examined her thoroughly, he would know what was the cause of the ailments.

5903. That may or may not be so. Can you suggest any way, where a medical man in the case of a woman complaining of half a dozen different things, showing perhaps one or two different diseases, in which he could possibly remember from week to week which one he had picked out for the certificate the week before, without a very thorough search in his certificate book?—I should have thought he would have had the name of the complaint against the woman's case, and that the particular complaint he had in his book he would put on the certificate.

5904. Suppose she was suffering from rheumatics, indigestion and anaemia, which might all three very well exist together, would you expect a doctor to mark down those three or four things on his book, and then to put a special mark against the one he put on the certificate?—I hardly know.

5905. I only want to point out to you the difficulties?—I know there are many difficulties in the way. It was the different complaints following each other that attracted my attention. My attention would not have been directed to it, if they had been complaints such as rheumatics and lumbago, or sciatica and lumbago on each consecutive certificate, or if the doctor had put either without putting both. The difficulty arises when you get half a dozen different complaints on different certificates, one on each certificate. It makes you think that if he had made a thorough examination, perhaps it would be quite different altogether.

5906. You realise that for you the first thing is that a certificate should be granted, which will give you some guidance as to how long the patient is likely to be on?—We would not take quite so much notice of the first certificate, if we had something definite on the second. It is when we have one certificate after another, with different complaints upon them, that the difficulty arises.

5907. If you went to consult a doctor and he spent all his time in elaborately writing a certificate for you, and not much time in examining you, you would not be so much pleased?—No.

5908. From your point of view the great thing would be for the doctor to spend his time in examining you?—Yes, I think it would be better for a doctor to examine the patient, and that he should put the particular complaint, which he finds she is suffering from, on the certificate.

5909. (Mr. Mosses.) I understand that you are the general secretary of the trade union side of the organisation, and also of the approved section?—Yes.

5910. Practically your society is a breakaway from the Boot and Shoe Operatives Union, and you have been separated for the last two years?—Yes.

5911. Have you any understanding with what may be termed the parent association?—No.

5912. You are not controlled by them in any way?—Not in any way.

5913. You are a union of women, officered by women, and acting on behalf of women?—That is so.

5914. Do you confine your membership to members of the boot and shoe industry?—Yes, in the trade union section, but not in the insurance section.

5915. As to the insurance section, do you throw that open to anyone?—Yes, to all women.

5916. Have you any members from outside the boot and shoe trade?—Yes, between 60 and 80.

5917. Are they all in Leicester?—There are just a few from outside. The majority are from Leicester.

5918. Are you open to accept members outside of Leicester?—Yes.

5919. Are you wishful to extend your area?—Yes, as soon as we can form a branch of the union. Then we should work the two together. It would be too expensive to run a separate section outside. The members we have from the outside are treated as members in the town.

5920. The insurance section would follow the trade union section, if you develop?—Yes, as soon as we develop.

5921. Is trade good with you in Leicester?—It has been very changeable.

5922. But during the time benefits have been paid from the National Insurance Fund, that is, during nine months, has it been with you quite good?—I should say it was very good up to about August Bank holiday, or up to between Whitsuntide and Bank holiday. In some factories the trade varies. Some are busier in one part of the year than others.

5923. It is a seasonal trade to a certain extent?—Yes, some factories have a very good run, and others have their short time. Some have been very busy, and the women there would have been better off at work.

5924. Have you sufficient data to tell us whether sickness has always been heavy when trade has been on the down grade?—I do not think that there has been much difference. The fact that some factories have been busy, and that others have been rather slack, shows that one equalises the other.

5925. You could not localise?—We could hardly do that, unless we took particular notice of the various factories. We do that to a certain extent, but still I could not point to one case in which there was any definite attempt to defraud.

5926. Speaking generally, you could not say that a depressed trade has resulted in a greater expenditure for State sickness?—I do not think so. I think it is just the idea that when they are not well and cannot work, they are entitled to sick pay. That seems to be the general idea. I think the doctors share that idea, because when I have spoken to them they have stated quite openly, "Of course, they cannot work, therefore I must give them a certificate." I have made the remark, "But they are not totally incapacitated." There was one woman whose certificate came in last week. I told her I could not pay out on that, and that I must have an explanation from the doctor. I rang the doctor up, and he said, "Send her to me." I sent her a notice to the effect that sickness benefit could not be paid on a certificate stating—there I put the complaint in—and that I should require from the doctor a further explanation as to the cause and nature of the illness. She took this paper to the doctor who filled it up, and, I think, he put on it "Constipation and weakness." I pointed out that neither was a disease, and that I did not think it was sufficient that anybody should stop away from work on that ground. He sent me a written answer that the condition of the woman's health altogether was so bad, that she could not work, and that, in his opinion, she was not fit to work.

5927. I am afraid you have misunderstood the trend of my question. I want to know whether during times of depression, when your members are out of work or are working short time, they are more liable to go on the funds than when trade is good?—I do not think so. Of course, you will always find a few in any society, who want a little more watching than others, but it is not a general thing.

5928-9. In cases of pregnancy, are your members allowed to work as long as they choose?—Usually they leave work about a month before confinement.

5930. Is there any compulsion on the part of the employer?—They have generally left themselves, but the employers have usually asked them to leave if they have not done so. I do not think that the employers like them to be there during the last few weeks. There are cases where they do remain, but it is not usual.

5931. They relinquish their employment voluntarily?—Yes.

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5932. If they do not do so, the employers give them a hint?—Yes.

5933. Your relations with the medical faculty have not been altogether happy in Leicester; you have worried them a good deal. Do you find that the doctors are more concerned for the health of their patients, than for the funds of your association?—I have found some of them are very sympathetic with regard to the patients, but I would not like to make any statement that they were in any way giving certificates, if they thought the people were really able to work. By that I mean work at the factory. There is a difference between the factory and the home.

5934. Is it easier to get a certificate on the trade union side than on the National Insurance side?—There was one doctor who was very much annoyed over a certificate, and who said he would not give another certificate. I had sent him a form, but he did not even put the woman's name on it. He said he would give her any amount if she paid him 6d., so that for a charge of 6d. he would have given it. He was annoyed at being asked to sign his name. I think it all arises from their being rushed with work. I do not think that they have much difficulty with regard to getting certificates.

5935. Do you say the effect of National Insurance has been to double your trade union sickness?—Yes, in the last half year.

5936. That is a very serious statement to make?—It is very serious.

5937. Do you complain of excessive sickness?—Yes.

5938. You do not seem to me to complain of unjustifiable declarations on, so much as the continuation of sickness?—That is so.

5939. You find it is difficult to get them off, once they are on?—Yes.

5940. That is the whole gist of your complaint?—It is very difficult. We have a very large number coming on. Even those who do not stay on any length of time have come on for lesser complaints than they would previously have done, although they are really not well at all.

5941. Do you acknowledge that they come on rightly?—When I have asked the doctor that question, he has replied that he has superior knowledge. Of course you cannot say that you know better than the doctor.

5942. He gets in a bad temper, if you hint at such a thing?—You cannot say that a person is well if the doctor gives a certificate stating that she is incapable of work. That is the difficult position a society is in.

5943. You complain that, once they are on, it is difficult to get them off?—It is easy in some cases, but generally speaking a large number have come on, and the ailments for which they have come on seem so trivial.

5944. (Mr. Warren.) I take it from your evidence that, generally speaking, your members have a very imperfect idea as to what National Health Insurance really means?—Yes, I think that is generally the case, for they seem to get it in other societies as well.

5945. In other words, they regard the funds as inexhaustible?—I think so. They think they are entitled to the money.

5946. Are you having a very serious experience financially?—We are.

5947. If it continues, you can hardly go on as a society?—We are now thinking of revising our trade union rules on account of the claims.

5948. I am speaking for the moment of claims on the State side?—I am trying to cut them down.

5949. It has a corresponding effect on the union funds?—Yes.

5950. You regard your system of sickness visitation as satisfactory?—I think so, quite.

5951. Are you able to thoroughly supervise the married women in their homes, when they are receiving benefit?—Yes, I think so. I have occasionally called myself, not as a visitor, but I have dropped in just casually, and I have never found them doing anything. We have lately fined one girl, but that was only for being out late. That was on the 2nd October, when

we changed the time from 9 to 7. She was out on the second day, and she was fined for it.

5952. Have you had many cases, in which you have had to suspend benefits, or fine your members?—There has only been one fine. There was one case reported in which we suspended the benefit until the case was investigated. The committee agreed that it was satisfactory, and she was paid. I have another case at the present time. I had a report sent by some women, who were working at the same factory, but who were not members of the society. It was most difficult to get the information. I have written asking them to attend a committee meeting either to confirm the statement or withdraw it, but they have refused to do so.

5953. Your rule 36, dealing with disputes, sets up arbitration. Have you had any case of arbitration?—Not at present.

5954. If you have one, how would you appoint your arbitrator?—By the vote of the members.

5955. Previously, when your members were only entitled to 5s. per week sickness benefit, that could not be regarded as an inducement for them to give up work?—Not at all. We found that they were most loyal, for when they were entitled to claim, they did not.

5956. Now that it can be increased, by the addition of 7s. 6d. to 12s. 6d., there is a real danger?—The majority of the trade union members, when they are in decent work, can earn very much more, and it would not be an inducement to them in that respect. I do not think it is any inducement, but I think now that they do expect the money when they are really run down, and that they knock off when they do not feel fit for work, whereas previously they worked until they were totally incapacitated. They do not work to such a pitch now as they did previously.

5957. I understood one of your answers was that a number of your present members were more or less effete when they came to you, and that you had to deal with arrears of sickness?—I think they really were; that was the doctor's own opinion. He said they were so badly nourished that they had no surplus strength to fall back upon.

5958. They had no stamina?—No; very poor things they were.

5959. Speaking from your own experience, you think it would be well that medical referees should be appointed?—Yes, I do.

5960. And that they should be appointed, not by the societies, but by the Commissioners?—Yes.

5961. They would then occupy an independent position?—Yes, I think so. I think it would be beneficial from the doctor's standpoint. In the case in which we sent a woman for examination, her own doctor was annoyed at her being sent to anybody else. If the referee were appointed by the Commission, I do not think the doctors could take that objection.

5962. You think there should be both male and female medical referees?—Yes.

5963. Have any number of cases come to your knowledge of certificates being granted by doctors without the patient being seen?—No, I do not think they have ever granted them without the patient being seen. Of course, if a person is away on their instructions, they would give a continuing certificate. I am glad to say that I did hear of one case the other week of a doctor who refused to give a certificate for a person who was away. I think he was very good in that respect. He stated that he could not give it because the patient was away, and he thought she had recovered.

5964. Are any number of these certificates post-dated?—In some cases the doctor sees the patient twice, but not always before he grants a certificate.

5965. Are they dated in advance?—Not often.

5966. Have you had instances?—We have had some little ante-dating. We ask for a certificate once every week. If the certificate is not forthcoming, the woman does not get her pay. If it should have been due on the Monday or Tuesday, and she comes on Friday for her money, she would not get it without the certificate. The certificate would be due on the Monday or Tuesday, and I would tell her she should have to get

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it dated for that day, otherwise she would lose the four days' pay.

5967. You have had no cases of certificates being dated a week or two weeks back?—No.

5968. Only a few days?—Yes. I do not think that can be rightfully called the doctor's fault. The doctor has usually dated it when the woman has gone to him.

5969. Have you found any difficulty through your members having to go from the doctor to the chemist?—Some of them have grumbled a little. Previously the doctors dispensed for themselves.

5970. (Mr. Wright.) I desire to ask you a few questions about voluntary sick pay. You tell us that you have from about 500 to 600 members who are insured persons, and who also pay into the trade union for the extra sickness benefit?—Yes.

5971. When was this extra sickness benefit established in connection with your union?—It always existed in the old union, and we adopted exactly the same method.

5972. When the split between the two unions took place, did you bring any capital from the old union with you?—No.

5973. You simply started the fund again?—Yes, it was really on borrowed capital.

5974. When was that?—Two years ago.

5975. What is the qualifying period in order to get sickness benefit?—For a new member it would be 12 months. The old members came over financial, and we paid out benefits without any waiting period.

5976. You mean that there was no waiting period for the old members, but that the new members had to wait for 12 months?—Yes.

5977. When was the fund established?—Two years ago last September.

5978. Therefore the new members began to qualify last September twelvemonth?—Yes.

5979. That would be before the benefits of the Act came into operation?—Yes.

5980. Do you complain of a very great drain upon this voluntary fund?—Yes.

5981. In that connection, I want to draw your attention to something you said in your outline of evidence, that among those who have claimed considerable benefit have been those who up to the Insurance Act coming into operation, have made no effort to insure themselves against sickness or any other adversity. Does that mean that the majority of those who have drawn State Insurance sickness benefit have been those who have not previously paid into your voluntary fund?—A great many of them have. They have been on a long time.

5982. On the face of it there is some inconsistency between the two statements, because if your voluntary funds are being drained, they can only be drained by those members who have been paying for at least 12 months into those funds?—Yes, but the other members are really bad cases, and have drawn a great deal.

5983. I want to know whether what you say is that the people, who have drawn the most money, are those who have not paid to the voluntary fund?—According to the number. There are between 60 and 80, and out of them there is a larger percentage than out of the rest of the members for the trade union.

5984. Do you say with regard to voluntary members, that those who are double members come on to the funds to a greater extent than they did before the Insurance Act came into operation?—Yes.

5985. And with regard to those who did not contribute to the voluntary fund, they have as a matter of fact drawn a larger amount of sickness benefit?—Yes, in proportion to membership.

5986. There seems to have been a little trouble about the continuing certificates with the doctors. What happens now with regard to continuing certificates. Do you supply the forms?—Just recently we have done so. Since they have been asking for them, I have supplied a typed copy until we decide upon a permanent one. I do not know whether any further models are being issued, when the next amendments come out in January. We have not had any printed up to the present.

5987. You give that form to the insured person to take to the doctor, when she goes to see the doctor?—Yes.

5988. Has there been any trouble since they have had that form?—Not exactly; the others ask for the form.

5989. Have you ascertained whether, when the insured person takes that form to the doctor, she sees the doctor?—Yes. He writes his name on it.

5990. You are satisfied that she has actually seen the doctor?—Yes, the doctor's name is on it, and he is bound to see the patient.

5991. Is there a Friendly Societies Medical Institute in Leicester?—Yes.

5992. Have many of your members subscribed to that?—I think a few of them have, but not many. I do not think they are on any sick fund there. I think they subscribed to that for doctoring before the Insurance Act. It was just for medical attendance.

5993. Do you think that many of your members go to the institution, instead of having a panel doctor?—I think they are panel doctors. A number of them have made arrangements with other societies, for instance, some are in the National Deposit.

5994. You have to make out slips for the insurance committee?—Yes.

5995. You do not know from those slips what particular doctors your members have chosen?—No, not until we get the certificates in.

5996. Have you had any experience of friendly society work in Leicester?—No.

5997. Is it within your knowledge that a panel system did exist before the Insurance Act came into operation?—Only in reference to the dispensary, which would be on the same principle.

5998. That is not what I meant. I meant that the friendly societies themselves had a panel system?—I did not know that.

5999. Do you know how many of your members go to the doctors, and get medical treatment, without getting a certificate declaring on the funds?—I do not think any do now. They did not bother about certificates when there was not a sick fund.

6000. Do you say that you do not know of a single case in which a member has been to the doctor for advice, and has not come away with a declaring-on certificate?—We have members who are working who still see a doctor. They would not have a certificate, but they would be under his treatment. When they have declared off, they have still continued doctoring, and have gone back to work, although keeping under treatment for a few weeks.

6001. (Mr. Davies.) Your Rule 5, paragraphs 1 to 4, specifies those who can be members of your Society?—Yes.

6002. When you called that rule into existence had you any idea that by selecting your particular workpeople they had better lives than the generality of women, or was it because you wanted to link it up to the trade union?—It was really for the benefit of the women working in the trade union. Then we threw it open to other women. It was for the benefit of women that we threw it open like that.

6003. For the benefit of the women, so long as they were in your trade union?—Yes.

6004. That was the reason you said that if they were members of the trade union they would have the right to become members of the insurance section, irrespective of their condition of health?—Yes, we did not have any medical examination at all.

6005. Did you in any way from your past experience expect such a heavy experience as you have had?—No, we did not. It was quite out of proportion to anything we thought it would ever be.

6006. Is not Leicester generally considered a healthy town?—Yes, I think it is fairly healthy. The experience has been rather surprising. If there had been an epidemic we should have expected something of the kind, but there appears to have been nothing out of the ordinary, except changes in the weather.

6007. Can you give us any further reasons than you have given as to why you should have this very exceptional experience of a cost of almost 5*l.* per

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member per week?—I do not think a sufficient amount is allowed. I do not think the number likely to come in could have been taken into consideration.

6008. Do you know of any society whose experience is equal to your experience?—The Hosiery Union has been pretty bad, but not quite so bad as ours.

6009. I suppose you call yours a healthy trade?—It could not be called unhealthy exactly. During the last few years the various changes in the manufacture have put a great strain upon the girls and women, quite different from what it used to be some few years back.

6010. I understood you to say this morning that one of the reasons you gave for a person not being able to work was that they had to use their feet for stamping in the case of eyelets?—Yes.

6011. I take it that your business at Leicester is generally the slipper and ladies' boot trade, and not the heavy boot trade which goes to Northampton and Kettering?—Yes.

6012. Therefore the improvements in machinery have tended generally to make it lighter work?—Yes.

6013. I am trying to find out why, with a healthy trade and a tendency to lighter work for those at work, you should have this heavy experience; is there something more than you have told us that has taken place?—I do not think so. The work is in a sense lighter, but there is more strain upon the workers at the present time, not through the heavy nature of the work, but on account of the rush and strain.

6014. You mean speeding up?—Yes, the speeding up system. All the various changes that come about to run people down tremendously.

6015. Do people you have taken in, not in connection with your trade, belong to trades that have a heavy experience of sickness, or do they belong to trades which are not considered such a healthy trade as yours?—I can hardly say that, because some of them are in trades in which there is not an unusual amount of sickness.

6016. Would you suggest that one of the reasons for this heavy experience is that they were not in the best of health?—I do not think a great many of them were, because although they had not been to a doctor before, they were not long before they went to one. It was public property that there was a terrible rush to the doctors all at once. Every town experienced that.

6017. You said in reply to Miss Macarthur, when she pressed you to give us the average wages, that they average from 15s. to 16s. a week?—Yes, I daresay it would be that on the average, taking all the weeks together.

6018. The insured person, between the Insurance Act and the trade union, would get about 12s. 6d.?—Yes.

6019. You say that in connection with married women, this would have a tendency, by reason of the amount they would save, 3s. or 4s. a week, while at home, to induce them to draw benefits from both sides, and get the equivalent of a larger sum than if they were working. Is that so?—They would hardly be more, but they would have extra comfort in the home. They would not be at work, and there would be sick pay coming in. They are not supposed under our trade union rules, apart from insurance—the rules are just as strict, and, if anything, stricter on the insurance side—to do anything in the nature of housework, or work of any kind in the home. When I say they are not really totally incapacitated, I mean that they are really capable of doing light work. That is why I think they should not be entitled by the Act to go on the fund at all. I do not think the doctors ought to give a certificate unless they are totally incapacitated.

6020. Would you not agree that these two forces combined have a tendency to bring people on the fund more than used to be the case?—They might in a few cases, but you can hardly call it general.

6021. You would not like to say that over-insurance is one of the means of producing this heavy rate of sickness experience?—It might have something to do with it with regard to married women, but with regard to single women there is a difference.

6022. You do not find the door fastened when your sick visitor goes?—Yes, the people are often out.

6023. They are not working inside?—No. There is only the case of one girl. It was a chronic case of consumption, and she was helping her mother to pick a few currants for the pudding. I felt I could not say anything to the girl, because she had been away such a long time, and she said she was thoroughly sick of reading, that it was so monotonous to sit reading and resting, and that she was picking a few currants to pass the time. I should not be justified in stopping the pay in that case, but if we found them doing anything, we should stop it at once.

6024. Is it the young married women who make these claims?—Chiefly.

6025. Have you had any case where there has been a young married woman, who has gone to work for a period, because she felt she had no special calls upon her time, and who then found it necessary to give up work because she was pregnant, but did not tell you that she did not intend to return to work until after the child was born?—I have been making inquiries. I do not think we have had any cases where we have not known of it, except the case I mentioned, which happened a few months ago, in which there was a different name on the certificate as to the complaint.

6026. How do lower wage earners compare with higher wage earners for coming on sickness benefit?—We have only two, three, or four in the society now.

6027. Can a person be on sick, and only require sick certificates fortnightly?—We have had a doctor's sick certificate fortnightly. Now that we are issuing this form, it will have to be signed every week.

6028. Who pays the sickness benefit?—I do.

6029. Do you take it to the homes?—No, they come to the office for it.

6030. Do you have any cross-visiting. If a person is sick at home, they cannot come for it?—They send for it.

6031. Then you do not see them?—But the visitor sees them.

6032. Once a week?—Yes. If they are able to come for the money, they come themselves; if not, they send for it.

6033. You used the expression, that the people are surprised to have the supervision of a sick visitor. Why are they surprised?—Because they say that other societies have not got it. I think some societies do not have sick visitors.

6034. Do you know any society that has not?—I understand the Prudential and the insurance societies generally do not.

6035. Have you tried to ascertain whether that is a fact?—When certain new members have been on the sick fund they have said: "They never had any 'visitation from the other society.'" That is all I have taken it from. Members have said to me, that such and such a person has been on the sick fund of her society, but never had a sick visitor.

6036. That may be a mistake, and you do not know of your own knowledge?—Not definitely.

6037. A member of the Committee asked you whether members take their prescriptions to the chemist when they get them?—I think they all have to do that.

6038. Are you quite sure that they go?—They would either have to take it, or send it.

6039. Have you had any report from the insurance committee giving an average of the number of prescriptions issued by doctors for Leicester in comparison with any other town?—I do not think I have. I have heard members grumbling about having to go to the chemist.

6040. The point I want to get at is this: you have given us a record of abnormal sickness?—Yes.

6041. It is rather heavy for your society. You suggest to me that many of the other societies have a sickness experience approaching that. The number of prescriptions sent to the insurance committee would give us some proof of that, and I was wondering whether you knew the number?—No, I do not.

6042. Would you be surprised if the Leicester record of doctors' prescriptions showed a sickness record

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unlike that which you are giving us this morning?—Do you mean with the same proportion of membership?

6043. Yes?—I should be surprised. I do not know how they get the medicine without taking the prescription to the chemist.

6044. But if you have a less number of prescriptions, it shows there is less sickness?—I do not see how they could get the medicine without the prescription.

6045. Do they get their medicine?—I believe so.

6046. If a doctor gives them a note, and they are put on your fund, does it follow that they go to the chemist and get their medicine?—I conclude that they have done so, because they have grumbled about having to run about to find a chemist.

6047. But you do not know that?—No, I have taken it for granted. They would not grumble about having to go to a chemist, if they had been.

6048. As to the referee, the question asked of you was whether you would like to have a referee appointed by your own society, or a referee appointed by the Insurance Commissioners. Have you given any consideration to the appointment being made by the insurance committee?

6049. (Chairman.) I did put the alternative of appointment by the committee to the witness. I suggested appointment by the committee, by the Commissioners, and by the society, and I understood her to choose the Commissioners?—I meant that it would be beneficial if the referee were appointed on the same principle as the doctors.

6050. Then you mean the insurance committee, and not the Commissioners?—Perhaps so.

6051. (Miss Wilson.) Have you had any cases in which your members had a right to workmen's compensation for accidents?—We had one who came in for sickness benefit, and I asked her if it were likely that she would put in a claim. She said she did not know. A few days later she told me she was putting in a claim, and she did not get the sickness benefit.

6052. You did not take the case up for her?—No. I was going to do so, but she said her employer was going to take it up for her. It only lasted a few weeks. She was paid one week's benefit, but refunded it.

6053. I want to know whether you have been in the habit of taking up compensation cases for your members on the trade union side?—Yes, I have taken them up on the trade union side.

6054. It has been one of your regular duties?—Yes, we would do it, but we have had very few. There are odd cases where the employer has put in for the woman herself.

6055. As to your rules, it seems to me, comparing rule 1 with rule 5, that when you started your society, you only intended to take in people working in the boot and shoe trade. Is that so?—On the insurance side we agreed to take in all women.

6056. Look at Rule 5. It says "Any insured person who is eligible for membership of the Independent National Union of Boot and Shoe Women Workers Society may apply to become an insured member of the society, if not already a member of an approved society for the purposes of the Act." Rule 1 (2) says—"The society shall consist of an unlimited number of members of the female sex, being insured members, and being members of the trade union." There is nothing here that suggests to me that you intended to have people outside the boot and shoe trade in the society, but you say you did?—Yes. The rules had to be got out in a great hurry. There are a number of things that want correcting. We overlooked a number of things.

6057. Then you intended that people outside should come in?—Yes.

6058. As to cases sent to hospital, have you come across any case in which a woman was sent by the panel doctor to the infirmary for treatment, say for an operation?—We had one case which was recommended to the infirmary.

6059. By her own doctor?—I believe so.

6060. Would that be because she would be able to get special treatment?—I suppose so. I think it was her own doctor, who recommended her for it.

6061. I understood you to say in reply to Miss Ivens that there were no facilities for that?—I was thinking of specialist treatment.

6062. You get specialist treatment at the infirmary?—Yes.

6063. If there is any case which requires specialist treatment, if the doctor chooses, can he send it to the infirmary?—I think he could, but I am not quite sure whether they could go more than once or twice. I understand that they have to get a recommendation, and recommendations are rather difficult to get now.

6064. You said that a good many of the women, who are now going to the doctor, have not been very well looked after, in the past, and have not been able to afford to stay away?—Yes.

6065. Do you think that perhaps you have had this year your heaviest amount of sickness, and that when they have been looked after, they will not be so often on your sickness funds?—I am hoping so.

6066. You think a good many of them have been neglected in the past?—Yes.

6067. But when they are put right there will not be so much illness?—Yes.

6068. (Chairman.) You use for the purpose of declaring on and declaring off the forms issued by the Commission?—Yes.

6069. When a person declares on, she produces two things, does she not—a certificate and a declaring-on note?—Yes.

6070. The declaring-on note says this, "I hereby give notice that I was rendered incapable of work as from the . . . o'clock" and so on?—Yes.

6071. So that a member does tell the society, on her own authority, that she is incapable of work?—Yes.

6072. I suppose they know, when they sign that, what they are doing?—They ought to, but I am sorry to say some of them are not—

6073. Not scholars?—That is so. When they have to fill up a paper, they perhaps spoil as many as four or five papers, and you have to guide their hands.

6074. They will be no more scholars, if they have a longer declaration to sign?—No.

6075. You gave us to understand that you or your insured people thought they had been wrongly treated by the doctor to whom they went?—Yes, in several cases.

6076. Do you not think that in these cases you ought to go to the insurance committee to see what they have to say about it?—The people had commenced to pay for private treatment themselves before they informed me about it. They went to another doctor themselves, and consulted him.

6077. I did not understand you to mean that they went to a private doctor and paid him privately?—Yes, they did.

6078. Not to another panel doctor?—I do not think it would be a panel doctor.

6079. But to some doctor whom they paid out of their own pocket?—Yes.

6080. Do you not think in these circumstances that you ought to go to the committee about it?—I did want to report it, but they asked me not to do so.

6081. Who asked you?—The members themselves. They said they did not want any bother about it. They had an idea that they would have to face the whole committee. They were very nervous and run down, and said they could not stand any bother, and they would rather pay out of their own pockets than have the bother. I could hardly do so in the face of that.

6082. Do you not see that in not reporting it, you are inflicting a great hardship on two quite distinct classes of persons, on the doctors against whom the charges are made, who get no opportunity of having them tested; and, supposing the charges are true, you are inflicting a great hardship on the body of insured persons by reason of your members being subjected to

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this sort of treatment. Do you not think that you ought to report these cases?—If we have any further cases, I shall. This has only been the first six months of quite a new experience, and you want to see how things go before you make any charges.

6083. If I were a doctor, I should prefer to have the charge made against me and have an opportunity of meeting it, rather than have people going about saying that doctors at large were doing that sort of thing?—

The witness withdrew.

Mr. J. P. PEARCE (*Secretary of the Order of United Sisters, Suffolk Unity*) examined.

6085. (*Chairman.*) Are you the Secretary of the Order of United Sisters, Suffolk Unity?—Yes.

6086. Is that a friendly society which has been established for a great number of years?—Since 1885.

6087. And it is also an approved society under the National Insurance Act?—That is so.

6088. The society, I think, only admits women to membership?—Only women.

6089. Only women also on the State side?—Women exclusively.

6090. Is it organised in branches like an ordinary affiliated order under the Friendly Societies Act?—Yes, but as an approved society it is a consolidated one.

6091. You do not have branches on the State side?—No, the local courts act simply as agents for the head office here in London.

6092. And all the liability is pooled?—That is so.

6093. How many members have you on the private side?—1,350.

6094. And how many branches are they organised in?—15 branches.

6095. And on the State side, how many members have you?—1,560.

6096. And are all the people who are on the private side also insured on the State side?—That I am not in a position to say. I have no information as to how far dual membership exists, but I think one may say, speaking generally, yes.

6097. Practically all on the private side are also on the State side?—Yes.

6098. Whereabouts in the country mostly are you strong?—The branches are scattered over the whole of the country—Suffolk, Norfolk, Nottingham, Cambridge, Westmorland, Somerset, Sussex, and one branch in London.

6099. Are they mostly in agricultural areas?—No. Nottingham, of course, is a manufacturing town, and most of the member are laceworkers. In the branches in Suffolk, in places like Long Melford and Sudbury, most of the members are engaged in weaving—horsehair, mat and silk weaving. At Cambridge the same thing applies. In London most of the members are professional women, such as governesses, teachers, secretaries, clerks, shorthand-writers, typists, and so forth.

6100. What is the strength of your London branch?—400.

6101. That is a very large proportion of the total membership?—Yes, that is so.

6102. Then I suppose you would say that you cannot lay down any general rule about the class of people who are insured?—No, the women seem to be in every grade of life practically, but there is a large number of domestic servants.

6103. Do you know how many out of the 1,560 are domestic servants?—I could not say, but in some places like Terling in Essex, nearly all are domestic servants. It is a small country village, but there would be about 100 of them there. The same thing applies to Brough in Westmorland. There is only a very small number, 25 or so, but they are all domestic servants.

6104. I suppose each branch, rather than the society, has a characteristic occupation—London, Terling and Brough—and I suppose in Somersetshire, they are outworkers in the glove trade?—That is so, yes.

6105. What are the benefits which are ordinarily insured on the private side?—A sickness benefit of

I think the doctor was quite aware in two cases or more that the patients paid for private treatment.

6084. When they have gone to a second doctor, have they been rightly treated?—I do not say they wilfully treated them for anything wrong or anything of that kind, but there was quite a different opinion between the two doctors. One doctor stated it was heart disease, and the other stated it was consumption.

4s., 6s., 8s. or 10s. a week, according to the premium paid.

6106. What is the ordinary sort of amount that people insure for?—I think very few go beyond 8s. Perhaps the large majority insure for 6s.

6107. Speaking generally, are you finding that your claims are in excess of what you expected or not?—No, they have been below the expectation.

6108. Can you tell me what it has come out at per member per week?—Taking the actuarial expectation of 2d. a week, and applying that to the membership for the first 6 months during which benefits were paid the society should have expended 315*l.*; as a matter of fact it has expended 281*l.*

6109. Have you any figures for the third quarter?—For the third quarter the actual expenditure is 121*l.*

6110. As against what, if it had been reckoned at 2d. ?—162*l.*

6111. Can you separate these figures for the first and second quarter?—For the first quarter, 120*l.*, for the second, 161*l.*, and for third, 121*l.* The second has been the heaviest of the three.

6112. To what do you attribute the fact that it goes up in the second quarter, and goes down again in the third?—I have not attempted to estimate the cause at all.

6113. Have you noticed any variation in your private side figures since the benefits began to be paid?—The private side figures I am not familiar with. They have not yet come under my notice. I am entirely on the State side for the present.

6114. Were you with the society before the Act passed?—I have been the secretary of a lodge of the Manchester Unity of Oddfellows for 20 years.

6115. You had nothing to do with the society?—No.

6116. You came on for the first time when the Act passed?—Since last July, when they were in difficulties. The society got into a tangle for want of a secretary, and I came there to get them out of it.

6117. The secretary was ill, was she not?—That is so.

6118. Have you any reason for thinking that, apart from the question of the claims being heavier than you expected, they are heavier than they ought to be? Have you seen any evidence of people making claims which are not proper?—No, I cannot say that I have.

6119. Have you found the experience you have just given us universal throughout the branches, or are there particular branches which are low, and particular branches which are high?—There is one branch where I met with a complaint as to sickness being above the normal, and that was the branch to which I referred at Terling, where the membership consists almost exclusively of domestic servants.

6120. The Essex Branch?—Yes.

6121. When was your attention called to that?—I was there last week.

6122. And did you investigate the matter?—Yes, I went into the matter as to why the people were ill. It appeared that nearly all of them are no longer residents in the village, and therefore no longer under local supervision.

6123. They have left, and gone to other situations?—That is so, and consequently the greater part of their business is transacted through the post. In other places I visited, I found that there was close supervision, and very complete local knowledge of the circumstances of the members of the various courts.

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6124. Did you take any steps in the Terling case?—No.

6125. You simply found out that these were the facts?—They were complaining of the sickness, and showing me figures which went to indicate that on the private side the expenditure had exceeded the income from contributions for the half year. I suggested that that was a passing phase, which every friendly society would experience in turn, and left the matter on the understanding, of course, that they would look very carefully after the cases.

6126. Is there any general observation you can make with reference to the amount for which your members can insure? If they are insured on the private side for 8s. and on the State side for 7s. 6d., that would be 15s. 6d. in all. Have you any kind of idea what sort of relation that bears to their wages, or are they not sufficiently homogeneous to enable you to say anything general on the subject?—I put that question with regard to the membership in one town, St. Albans, where the larger number of the members are engaged in the straw-hat industry, and I was informed that no member was insured for a higher amount on the private side than 8s. and that, added to the 7s. 6d., would be 15s. 6d., and I was told that the average earnings among the straw-hat workers were at least 18s. to 20s. a week, and it was not to their advantage to be away from work drawing sick pay.

6127. It is a seasonal trade, is it not?—I was not told so. My informant was the son of the manager of a large straw hat factory, and he seemed to suggest that conditions were very prosperous with them.

6128. Have you any idea what proportion of your members are married, and what single?—I have not at present.

6129. Are you enquiring into that?—I am doing that for the purpose of giving reserve value information.

6130. You have not brought it to an end yet?—No. I should say, looking over the books, that roughly there is a very small number married.

6131. Can you say anything about age distribution?—No, I am not prepared to say anything with regard to that.

6132. You told me that you did not find any unjustifiable claims. Do you find any difficulty in getting people off the fund who, you think, ought to go off?—No.

6133. Have you come across any cases which you regarded as deliberate and conscious fraud?—Oh no, nothing of the kind.

6134. Turning to the doctors' side of the question, I suppose you had opportunities both in your own person, and from what they tell you in the branches, of estimating the line the doctors have been taking?—Yes.

6135. What sort of conclusion have you formed in your mind as to their attitude towards the Act?—So far as my inquiries have gone, they appear to be sympathetic.

6136. They have given you the sort of assistance you looked to get?—Yes, I could find no evidence of hostility.

6137. I suppose when you were engaged in the Manchester Unity, you looked on the doctor to a great extent as being an active protector of your funds?—That is so.

6138. Do you find that they are still fulfilling that function?—I have not heard the doctors express any opinion.

6139. I was not looking at the opinions they express, but on the effect of their action. Are you getting such certificates as your rules require, and as you think necessary to enable you to carry on the business?—Yes. I have only one complaint to make. I had a certificate in which the patient was declared incapable through ill-health. I immediately returned it to the doctor, and said no sick pay could be given on such a certificate. The doctor supplied another certificate certifying nervous debility, and he sent a letter at the same time, saying it was great nonsense to require a specific disease to be mentioned, and that the time would soon come when such wording would no longer be required. I wrote calling attention to

the specific requirements of the Act, and indicated that the time he was referring to would hardly arrive until those words were repealed.

6140. And have you found that the certificates are properly dated?—Yes, I have nothing to complain of in that respect.

6141. They appear to be given, as far as you can make out, after the doctor has seen the patient, and applied his mind to the circumstances of the case?—Quite so.

6142. Have you found any difference in the way the claims have come forward in Manchester and Salford on the one hand, and the rest of England on the other?—I have no experience of Manchester at all.

6143. You have no branch there?—No.

6144. Any branch in Kent?—No.

6145. I should like you to tell me about your own practice. In the first place, who actually pays the benefit?—The local agent.

6146. May I trace it like this? The woman falls ill and signs a declaring-on note. What does she do with it?—She sends it to the local agent.

6147. By post?—Very often she can call upon him.

6148. What is the local agent?—He is the secretary of the local court as a rule.

6149. Is he paid?—Yes.

6150. I suppose he is not a whole-time officer?—No.

6151. Is he a working man?—No. In several cases they are ladies of independent means, who are able to give the whole of their time to the work if necessary.

6152. And are they paid?—Yes. They are able to go and visit some of the sick people, and in Sudbury I was assured by the lady there that if she thinks a case has been going on for too long, she interviews the doctor herself. She knows all the doctors personally, and has lived in the town for years, and is thoroughly well acquainted with local circumstances and so forth.

6153. The declaring-on note and the certificate are forwarded to the local agent. Does the local agent pay?—He sends them to me.

6154. He does not do anything on his own discretion?—Nothing whatever.

6155. What do you do?—I investigate the claims.

6156. What do you mean by investigating the claims?—I see that the certificate is in order, and that the dates are coincident on the declaring-on note and the certificate, and so forth, ascertain the rate of benefit to which the member is entitled, see whether the requisite number of contributions has been paid, and then send an advice to the local agent accordingly.

6157. Authorising the local agent to pay?—Yes.

6158. When that has once been done what happens about continuation certificates?—The case is then watched by the local agent.

6159. Does he pay automatically week by week?—Provided the medical certificate is submitted, and that the sick member is properly visited.

6160. Supposing, when you come to investigate the claim, that you come to the conclusion that there is something wrong about it, or something suspicious. What do you do then? Do you ever find there is anything suspicious?—I have not had a case of the kind, except the one I referred to just now, where I sent the certificate back. I have another in mind, where I sent the certificate back because the specific sickness was not mentioned, but I have heard nothing more about it. I assume the member has waived the claim. It is many weeks old now.

6161. Suppose the certificate says debility, anæmia, or pregnancy, what do you do?—I should pay.

6162. It seems a very remarkable thing that you seem to be getting the same certificates as other people get and pay on them, and yet you do not find that it has the effect of causing you to bear a heavy burden, whereas some societies paying on just the same certificates find it results in heavy burdens. Can you say anything at all to throw light on that?—No.

6163. You advise the district agent, and he then pays, taking care to get a continuation certificate week by week. What happens about visiting?—Visiting is done in accordance with the local rules.

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6164. Do they differ in different localities?—There is nothing laid down of a general character, and, of course, each court can adopt its own rules with regard to purely local administration.

6165. You do not mean rules embodied in a book, but byelaws?—The byelaws of the court itself.

6166. I suppose there is some sort of rough model. What is the sort of thing they do?—They must be consonant with the general rules, and they are duly registered rules also.

6167. What do they require in the way of visiting?—I believe in most cases a weekly visit.

6168. You do not require to be satisfied that they are visited weekly before you pay?—No.

6169. Supposing the district agent advises you week by week, and you go on letting him pay. If you find a claim is running a great many weeks, do you take any steps?—Yes. In one case we wrote to the doctor, and said we should like to have some further information in regard to the case.

6170. What made you do that?—The length of the case.

6171. Without anything else at all?—Yes.

6172. Did you get an answer?—Yes, he said he could not give further information without the patient's consent.

6173. What did you do then?—We said the patient's consent must be obtained, and we must have the information.

6174. Did you get the patient's consent?—Yes, and he sent the further information with regard to the case. I believe it was a case of vertigo, or something of that kind.

6175. But that is only a symptom, is it not?—Yes. But anyhow we were satisfied with the further explanation. The case terminated soon afterwards.

6176. Perhaps it had a moral effect?—Yes.

6177. Then about these sick visitors who are employed. Are they paid?—No, they are voluntary.

6178. Are they members of the society?—Yes.

6179. And it is a duty that members of the society are bound to undertake, if they are called upon to undertake it?—Yes.

6180. However, you do not know what actually happens because it is quite local?—It would only be in the case of a sick visitor reporting that there were circumstances which she did not consider quite satisfactory in the case, that a report would be presented to me for further action to be taken.

6181. Do you pay in all cases where the certificate simply says pregnancy?—I do not think I have had a certificate of that kind since I have been in the office.

6182. Do you think, looking at the certificates that you see, and looking at the claims and the rest of it, that you are in fact paying women for illnesses, which are in some way connected with pregnancy. Are they coming on the funds in respect of childbirth, apart from the month after the birth?—No, I have had no case of the kind.

6183. Do you think that that is owing to the fact that you have so few married women?—It may be attributable to that, certainly.

6184. Have you in any case thought it necessary to obtain a second medical opinion, because you doubted the first?—No.

6185. You have never employed a medical referee?—No.

6186. Do you think there would be any advantage to you in having a medical referee?—I think it would be a desirable safeguard.

6187. Would you like him to be a person appointed by the society, or by someone outside the society?—Someone outside the society would be preferable.

6188. How do you say that?—Because it seems to me one would secure a greater degree of impartiality in this way.

6189. Would the members prefer it?—I think so.

6190. And if it is to be someone outside the society, would you prefer that it was the Commission, or the insurance committee, or neither?—I think the Commission.

6191. Why do you say that?—Because the Commission does not come into close personal relations with the doctor.

6192. You think it would be an advantage to have someone as far removed as possible from the actual sphere of local administration?—I think so.

6193. Are you finding that there is any difficulty arising with regard to workmen's compensation? Are you taking up the cases of members who have claimed under the Workmen's Compensation Act?—I have had no cases of the sort.

6194. Are you taking care to see that in fact when they suffer from accidents, which would give rise to a claim, that claim is prosecuted?—I have not had occasion to take steps of the kind, but I can say I should do so, certainly.

6195. Are your local people looking after it, do you think?—They do not take action unless upon advice from headquarters.

6196. But have they had any general instructions to look out for that kind of thing?—No, it seems to me such a very rare thing, in the case of women particularly.

6197. Workmen's compensation?—I have had no case of the kind under my notice.

6198. One can understand probably that your 400 typists, secretaries and governesses are hardly likely to make claims under the Compensation Act?—We have a great many factory workers.

6199. I should have thought amongst them there must be such cases?—None have arisen so far.

6200. (Mr. Warren.) Do we take it that in all cases the members' claiming benefit are visited by a sick visitor?—That would not apply to every case.

6201. Because your rules provide that they are to be visited once a week, only if within one and a half miles of the registered office?—It is done so far as practicable, and of course there are members residing outside that area. That applies particularly to the London Branch.

6202. There would be quite a number of cases where hardly any sick visitation would take place?—That is so.

6203. After a member has been in receipt of benefit for eight weeks, you call for a second medical opinion according to the provisions of Rule 21 (5)?—A second medical opinion may be required.

6204. Is that ever put into force? Have you had any experience?—I have had so little experience on the private side that I am not able to say.

6205. That has no bearing upon the State side?—Not necessarily.

6206. Would you, in the event of a member being in receipt of benefit for eight weeks, consider the advisability of obtaining a second opinion?—Yes. The executive committee has a discretion as to the period in which it will require medical certificates to be submitted, and therefore any case which would seem to need investigation would be brought before them.

6207. You have a rule as to the conduct of members whilst in receipt of sickness benefit, viz., Rule 12 (26). Are we to take it that in all cases that rule is put into operation?—I have to trust to the local agent effectively administering the rule.

6208. Of course, in the event of members living at a great distance—your members are scattered—there would be difficulty in having full knowledge as to whether this rule was obeyed or not?—There would be difficulty in its strict enforcement.

6209. You have had considerable experience in respect of friendly society work?—That is so.

6210. And your experience has been in the direction of the doctor being associated with the lodge?—That is so.

6211. And you can appreciate the value that that has been?—Exactly, the doctor must, in fact, have acted with a greater sense of responsibility to the branch than he does now.

6212. Your experience would lead you to the opinion that if the doctors were now in closer touch with the various branches, it would be of value in checking malingering?—If I may speak quite generally, it seems to me that two things have been divorced

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which are very essentially related, that is, the payment of sickness benefit and the control of medical benefit, and it seems to me that it would be better if those two things were more closely related, or brought under one authority.

6213. What has been your principal difficulty in respect of administering the sickness benefits of National Insurance?—I do not know that there is any difficulty, except perhaps the stupidity of the insured person.

6214. Are we to take it that there is a general misunderstanding as to the real meaning of National Health Insurance?—Yes, and an inability to follow printed instructions, and so on.

6215. Not because of their ignorance so much as the voluminous number of documents?—It seems to me that there has been an absence of any desire to try and understand.

6216. Do they appreciate the fact that they are materially concerned in the prosperity of their particular society?—No, not as insured persons.

6217. In other words, they think the benefits are, more or less, inexhaustible?—That is so; a great deal of misapprehension exists on that point, I am sure.

6218. (*Mr. Mosses.*) Where is your registered office?—29, Gillingham Street, Victoria.

6219. That is the same address as for your voluntary side?—That is so.

6220. Then you work both sections from the same building?—They are not being worked there now, but they will be eventually.

6221. Is it the same executive committee?—One committee deals with both sides.

6222. How do you organise your membership? How do you get members?—There is no public advertising or anything of that kind; simply by personal influence.

6223. One member getting another?—That is so.

6224. But have you no organiser, and have you no system of organisation?—We have as an officer an organising secretary, but her duties are purely nominal.

6225. You rely upon personal introduction?—Yes.

6226. How many factory workers approximately do you consider are in your society?—I should say 400.

6227. Do you find that the sickness amongst the factory workers is very much greater than amongst other sections of your membership?—I think it is. We find it so in Nottingham.

6228. Could you give us any figures showing the relative amount you are paying in Nottingham, and, say, in London?—I am not in a position to do that.

6229. I was looking at your admission form, and it seems to me that you are very particular whom you admit?—Yes.

6230. Do you ever insist on a birth certificate, or a medical certificate of health?—In the case of persons joining for State Insurance purposes only, we do not ask for a medical health certificate, unless the health history is a bad one.

6231. These questions, 9, 10 and 11, in which you ask what illnesses the applicant has suffered from—are they strictly observed?—Yes.

6232. You must have an exceptional health membership?—For membership on the private side medical examination is still insisted on, as it has been throughout the society's history.

6233. I think you said a great number of your members were typists and clerks?—And similar occupations, yes.

6234. Have you many domestic servants?—Yes, a large number.

6235. A great number of these women, or girls, will, if they have a minor ailment, either not be away from work, or will be paid when they are away from work?—Yes.

6236. In which case that would account for your comparative immunity from excessive claims?—It might do, certainly.

6237. You have already stated who your executive committee are. They are, I suppose, members of the society?—No, there are very few who are actual members of the society. There are several gentlemen

on the committee. The Rev. Frome Wilkinson, who was the founder of the society, is one.

6238. They are managing both sides?—That is so.

6239. Who elected them? Were they co-opted?—They are elected by representative meetings, consisting of delegates from the branches, which meet every year.

6240. Do the members take much interest in the voluntary side of the society? Do you get good meetings in your centres?—No, the general testimony give to me is that the interest is fading.

6241. Is your experience sufficient to say if the Insurance Act has increased your liabilities under the voluntary section? Have you paid more on the voluntary side because of the operation of the National Insurance Act?—Assuming that we had paid more it would be very difficult to assign it to the Insurance Act, would it not, unless you extend it over a specific period?

6242. Say for the nine months during which you have been paying benefit, and the corresponding nine months of last year?—In the course of my visits in the last few weeks, I have only met with one complaint of that kind.

6243. What about your statistical records? Do they not show the relative amounts you have paid?—I have no records in my possession at present as to the sickness experience on the voluntary side for this year. They are only rendered once a year by the various branches. They send up returns.

6244. (*Mr. Thompson.*) How many local branches have you?—Fifteen.

6245. You said that your membership is spread all over the country. Does that mean that they are in fifteen districts, as it were, and that those fifteen districts are scattered all over the country?—That is so, but there is a further scattering of the individuals in many cases.

6246. Who are out of the reach of your branches?—Yes.

6247. Could you give us an idea of the largest number of members in any one branch?—In the London branch we have 400, but they are not necessarily resident in London. They are in all parts of the country.

6248. They would consist largely of domestic servants?—No, rather more of the professional class.

6249. They were enlisted, I suppose, in London, and that is how they came to be in the London Branch?—I do not quite know how the London Branch was set up, or how it came about that these members were grouped into it, but I rather think it arose in this way, that when the Act was coming into operation, inquiries were received from all parts of the country from individuals as to an approved society, and those persons were drafted into the London Branch, and that would account for the fact that in the London Branch we have persons who are resident in all parts of the country.

6250. A person in the London Branch, living perhaps many miles from London, would make her claim to the London Branch direct?—Yes, to the London Branch, which is administered by myself.

6251. And then you do not get the advantage, if it be an advantage, of a report from the local secretary or agent?—No, we are deprived of that in those cases.

6252. So, presumably, the lightness of your sickness experience is due to the honesty of your members to a large extent?—That is an assignable cause.

6253. In many cases, apparently, you have no means of checking them?—Except for the weekly medical certificate. We insist upon that.

6254. You are unable to rely on what your friendly society experience would lead you to rely upon to a large extent—sickness visiting?—No, we are without that in a good many cases.

6255. Can you tell us the smallest number of members you have in a branch?—20.

6256. (*Dr. Fulton.*) On the voluntary side you have a fairly stringent rule with reference to the amount of work which an insured woman may do when she is on

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the funds. I refer to Rule 21 (b) (b).^{*} I suppose that rule is adopted from your experience that such a rule is necessary?—Yes.

6257. But you have not adopted such a rule on your State side?—We should apply it.

6258. Your members understand that?—Oh, yes.

6259. (Dr. Pearce.) I understand that most of your members are doubly insured—on the private side and on the state side?—Yes. I think most of them are, for judging from my examination of the schemes prepared under section 72 of the Act, very few members have reduced their contributions.

6260. Does it follow that most of your members have been medically examined?—It would follow from that.

6261. Have you any information as to whether these seven cases of prolonged illness in which 26 weeks' benefit was paid, were medically examined, or whether they came in without it?—I am not in a position to say precisely, but I may say with regard to those cases that five were of a tubercular character.

6262. Can you tell me whether these came on the funds soon after the inauguration of the Act, or at a later time?—I think all five came upon the funds certainly early in this year.

6263. (Dr. Lawriston Shaw.) You said you thought that under the old system, where the doctors were appointed and dischargeable by the friendly society, they acted with a greater sense of responsibility?—Did I use the word "dischargeable"?—

6264. Were they not dischargeable?—That is an inference from what I said.

6265. You said they had a greater sense of responsibility?—I said, "In the old days they had a greater sense of responsibility."

6266. Do you mean responsibility to the interests of the patient, or responsibility to the interests of your funds?—I should say in both directions.

6267. You think they would feel a greater sense of responsibility in getting the patient well, if the friendly society official chose them, than if the person herself chose the doctor?—Yes.

6268. I do not quite see why you should think that from the fact that someone else chose the doctor for the patient, the doctor would feel more responsible to the patient?—It seems to me a case of being more responsible to the authority, as you just now suggested, which engages him, and upon whom the tenure of his appointment would rest.

6269. (Miss Macarthur.) I see that as well as having several very severe questions as to health on your form of application, you have a declaration of a witness appended to it?—Yes.

6270. This witness testifies that the applicant has signed the form of declaration in his presence, and that in his opinion she is a person of good health and character, and suitable for admission as a member of the society. In admitting members to the State section, do you in every case have this declaration?—No, that is not so. This is only a recently adopted form.

6271. This is not the original form?—No; I think at the inception of the Act's operations another form was used, which had not a declaration of this kind. This has been in use, I think, during the whole of this year, at all events, but not for the first six months after the Act came into force.

6272. Had the original application all these questions as to these illnesses?—Yes.

6273. So that the applicant's signature was not necessarily witnessed by anyone?—Quite so.

6274. And has this declaration been recently added too?—It was on the previous form.

6275. You have always had this declaration: "I solemnly declare that to the best of my knowledge and belief the above answers are absolutely true. I am not labouring under any periodical or permanent

"sickness, disease, or infirmity, and I am at the present time in good health"?—That is so.

6276. (Miss Wilson.) Do you find that a certain number of your members are sent away by the doctor for a rest either to relatives or friends?—That has occurred in a few cases.

6277. Have you had any difficulty about certificates in that case?—No.

6278. They have gone to a fresh doctor, of course?—That is so.

6279. Does he examine them, or has he taken the rest rather for granted? Has he acted on the recommendation of the former doctor who filled in the certificate?—He has not given a fresh certificate, but signed the continuation sheet.

6280. Have you been satisfied in those cases that they were really still ill?—I had to accept the medical testimony to that effect.

6281. Have you been in any way doubtful of that testimony in cases of that type? Have you thought the second doctor signed the certificate rather as a matter of course?—I have not had reason to think so.

6282. I see that your arbitration rule on the private side, Rule 12, applies to the State side also?—Yes.

6283. There is no mention in it of expenses. What arrangement do you make about the expenses of arbitration?—I assume nothing is paid to the arbitrators themselves. Their services are entirely honorary.

6284. Is there no expense connected with a member who appeals?—Nothing is provided in the Rules, and in the absence of any positive experience, I am not able to say just how that would be.

6285. There is an appeal to the executive council from the arbitrator provided for in the same rule?—Oh, yes.

6286. After that there could be an appeal to the Commission?—Yes, of course, when the society's own tribunals are exhausted, there is an appeal to the Commission.

6287. You have had no cases in which it has got even as far as arbitration?—No cases of the kind.

6288. (Chairman.) I did not know, when I was talking to you before, that you were, in fact, still secretary to a lodge of the Manchester Unity?—Yes.

6289. What lodge?—The "Duke of Bedford" Lodge, North London District.

6290. Do you mind answering questions about that?—Certainly not.

6291. How many members are there in the lodge?—660.

6292. And how many members insured under the National Insurance Act?—500.

6293. Men and women?—Men only.

6294. How are you finding the work under the National Insurance Act going in that lodge?—So far as sickness experience is concerned, it is below expectation.

6295. Much below?—At present, out of the 500 I have two ill.

6296. When you say "below expectation" you mean, do you not, that you are not spending per week per member as much as the amount the Commission suggest that you might draw from them?—As much as the actuary has indicated on the form, on which we have to make application for funds—that is, 3d. per week per member.

6297. Do you know how much below 3d. per week per member you have paid?—I have supplied the figures to headquarters, but they are not in my memory. I should say we have only paid 75 per cent. of expectation.

6298. Have you noticed any variation, quarter by quarter, with regard to that, or has it been fairly steady all along since the benefits began?—I have noticed a diminution this past quarter.

6299. For the quarter ending in October?—Yes. I attribute that to the season of the year. From January to April is always our heaviest quarter for sickness experience.

6300. Was it the heaviest quarter this time?—Yes.

6301. One can quite understand January to April in a going concern being the heaviest quarter, but it is

^{*} Rule 2 (16) (b).—No heavy domestic work which involves lifting weights or stooping, such as house cleaning or scrubbing floors, hanging out or ironing linen, and no work which either brings in earnings, or which is considered by the doctor to be injurious to recovery, may be done by a member who is in receipt of sick pay.

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[Continued.]

curious that January to April in 1913 should be particularly heavy, is it not?—That is only consistent with past experience.

6302. I mean that there must have been a number of people to whom the thing was new, and a number of other cases where people could not come on the funds directly, were there not?—No.

6303. You did not have anything of that sort?—No, I have got in that lodge some 120 people who are State insured only, and who were not members at the time the Act came into operation, and I have had very few claims indeed from that 120.

6304. By the beginning of January had they all paid up 26 contributions?—Yes.

6305. All in steady work?—Yes.

6306. What class are your members drawn from? Are they all classes?—They are from almost all classes—warehousemen, shopmen, motor car drivers, artisans, and so on.

6307. Are they all resident round any particular centre?—No, in all the suburbs of London.

6308. Where is the lodge room?—Theobald's Road, Holborn.

6309. Do they meet there?—Every fortnight.

6310. Does anyone go?—Yes.

6311. How many?—40 to 50.

6312. The same 40 to 50 every time?—No, not precisely the same.

6313. Do you find that there is a sort of nucleus of people who go regularly, and a large percentage who never go?—There is an interested nucleus, certainly.

6314. What about the people who do not go? Is there any sign of interest in them?—We have a summoned meeting, once a year, in accordance with the rules, and we get an attendance of about 100.

6315. Do you think that there is much touch amongst the members, apart from those who find it possible to get to the annual meeting or the lodge meeting?—Not apart from those, but so far as those are concerned who habitually attend the lodge meetings, there is a considerable amount of good feeling.

6316. But that leaves a pretty large fringe who do not know one another by sight?—That is so.

6317. Would your lodge members, living about in some suburb, know there was another lodge member living in the next road?—I am afraid they would not know.

6318. You do not try to get them together?—No, but the Manchester Unity has always deliberately encouraged good fellowship.

6319. So I have always understood, and I wondered to what extent that was still going on under the new system?—There seemed to be a fear that under the new system that would be extinguished, but I have not found it so in my experience.

6320. The good fellowship did not extend over more than 20 per cent. of your members, anyhow?—That is as large a proportion as came into direct contact with one another.

6321-2. What has made the other 400 people or so belong to that lodge in particular? What made them join the lodge in the first place?—Being induced to do so by friends, who belonged to the lodge in the first place.

6323. Are they people who lived round about in Holborn, or near Holborn, and then moved away?—No. Such causes as this have been in operation; there are some 100 or more in one city warehouse and they bring one another in.

6324. If they are working in a City warehouse, to some extent they can get to the meeting. The warehouse might be in St. Luke's, or somewhere like that?—There are difficulties there; business ceases at 6 o'clock in the evening, and the lodge meeting does not commence until 8. A man does not care to hang about in the centre of London.

6325. You have not made any effort to hold your lodge meeting earlier?—We did make it half an hour earlier with that very object.

6326. Did it have any effect?—Things have been just about the same.

6327. Among the members generally, is there any sort of mutual detection of infringement of rules?—Yes.

6328. How is that carried out with regard to the scattered members?—Our rule is that every member, wherever he may reside, shall be visited in sickness.

6329. How often?—Once a week.

6330. Is it done?—Under penalty of a fine, yes, provided, of course, that the person asked to visit him resides not more than a mile away.

6331. You can call on any member?—Yes.

6332. Do you do it in fact?—Oh, yes, I am bound to by the rules. In addition to this voluntary visiting we have also two special visitors, whom we appoint to act in special cases, and who are paid for their services.

6333. Are these members of the lodges too?—Yes.

6334. Are they paid so much per visit?—Yes.

6335. What are they paid?—A shilling a visit and travelling expenses.

6336. That is more by way of recognition than remuneration?—That is so.

6337. Do you find it is of any use just calling on anyone who happens to live within a mile of someone else? Do you get any result from that?—Oh, yes.

6338. What do they find when they visit? Do they find they are breaking the rules, sometimes?—Occasionally, and the matter is reported to the lodge, and acted on accordingly.

6339. That is the official way of putting it. What in fact, happens between the rule breaker and the gentleman who finds a member breaking the rules? It would seem to induce friction? Do you not find that at all?—No, I think our visitors act without fear or favour; besides there is a general feeling of loyalty to the society which makes malingering, or a deliberate contravention of the rules, a very rare thing.

6340. Have you found, in fact, since the Act came into operation many detections resulting from these visits?—Not more so than before.

6341. What do you do when you find them out? Fine them?—Yes.

6342. How many fines have you imposed?—We have various penalties under our rules. They can be fined or suspended from benefit, or if the matter persists, they can be expelled.

6343. Have you had any expulsions on that ground?—No.

6344. Any suspensions?—No.

6345. How many fines?—I do not think we have had any. We give an inculpated member an opportunity to defend himself, and the matter is reported upon to the lodge. Cases of that kind are very rare. If the visitor calls, and the man is out after hours, I write to him for an explanation. The explanation tendered has usually been satisfactory, and it has been accepted.

6346. A case of urgent necessity, or something of that kind?—A man has sometimes sinned in pure ignorance.

6347. Do you take that as an excuse?—Yes, sometimes he has been away to see the doctor, who could only be seen after certain hours.

6348. What about cases where they are found working, or doing what you consider to be work?—I had an anonymous letter sent to me—it is the only one I have had in my whole experience—accusing a member of something of the kind. I brought the member's attention to the letter, but he at once contradicted the assertion therein made, and the matter never went any further. I felt one could not go further with an anonymous assertion.

6349. You did not try to detect him? You just put it before him?—Yes.

6350. Did you, before the Act came into operation, have a lodge doctor on your private side?—Yes.

6351. One?—Yes.

6352. How was he paid?—He was paid 4s. per member per annum.

6353. He could not possibly attend all the members?—No, he only attended those members who resided within three miles of the lodge house, and of whom there were between two and three hundred.

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[Continued.]

6354. What became of the other people?—They made their own local arrangements, either with other lodges or purely private arrangements.

6355. Did they pay the 4s. into your fund?—No, they would pay the 4s. into a lodge in their neighbourhood.

6356. And receive the services of the medical officer of that particular lodge?—Yes.

6357. Did you take on people from other lodges in the same way?—Exactly.

6358. How many had you of that kind?—Three. I think was all.

6359. You had about three hundred people for whom you had to make medical provision?—Yes.

6360. Paying 4s. per member per annum?—Yes.

6361. How much is that per year?—60l.

6362. Who appointed the lodge doctor?—A lodge meeting.

6363. The annual meeting?—A special meeting would be called for the purpose.

6364. And would the members attend?—Yes.

6365. How many would come?—We had an average attendance of 100 members for a specially summoned meeting.

6366. How long had the doctor, who acted just before the Act came into operation, been with you?—He had only been in office about two years, but previous to that our medical officer had been with us for 36 years.

6367. What terminated his connection with the lodge?—His death.

6368. Then you elected his successor, and he was with you about two years before the Act came into operation?—Yes.

6369. Was there any competition for the place?—Yes, we had three applicants.

6370. And you elected one of the three by vote?—Yes, by vote.

6371. The names were submitted to the meeting in the ordinary way, and he was elected?—Yes.

6372. Is he on the panel now?—Yes.

6373. Do you know how many of your people he has got?—No, but he told me that he has a total of 1,500 insured persons on his list.

6374. Had you reason to be satisfied with his services before?—Yes.

6375. You never had any friction with him?—Not with this particular doctor.

6376. What about the doctor you had for the 36 years before?—There were two or three complaints.

6377. What sort of complaints?—Complaints of inattention and so forth.

6378. Complaints by the members? Were there any complaints by the doctor?—No.

6379. It was a very harmonious business altogether?—That is so.

6380. What about the members? Did they like it?—I suppose that no man can make himself pleasing to everybody.

6381. I mean did they like that system?—Oh yes.

6382. Are you satisfied that all your 300 members, who paid in that 4s., did in fact go to that doctor and to no other doctor?—No, because we did not insist in the case of illness that the certificate should be signed by that particular doctor. We accepted, and always do accept, the certificate of any duly qualified medical man.

6383. Did you get many certificates from other people?—Oh, yes.

6384. Then perhaps some of them were paying for something they did not get?—Yes.

6385. How many?—I am not prepared to give figures.

6386. I mean roughly. I am not going to judge these figures as if they were prepared statistics. I am only trying to get a rough idea?—I should say that about half the cases were not certified by the official lodge doctor.

6387. Surely that is a striking fact?—Well, there might be circumstances to explain it. When a man originally joined the lodge, he might have lived quite near, and that doctor might have been particularly convenient for him, but after a few years' time he

might have removed further away, and, having made no fresh arrangements, he might not have been in a position, when he fell ill, to go to the official doctor, and may have had to call in the nearest doctor.

6388. How do your members compare the new arrangement with the old?—So far as medical treatment is concerned, they are, of course, getting the same attention now as before.

6389. The difference is that now, so far as there are doctors, they can choose what doctors they please?—Out of a certain limited number.

6390. Up to now they have been obliged to go to a particular man elected by the majority?—That is so, if they have wished to avail themselves of their medical insurance.

6391. Precisely. I wondered how they set the one advantage against the other advantage, if it be an advantage?—I have not heard any deliberate expression of opinion one way or the other.

6392. Looking at it from your point of view as an administrator, do you find that it makes any difference to you?—Very little.

6393. I do not mean to you personally, but as an administrator of the society's affairs. Do you find yourself embarrassed now that you have to deal with several doctors instead of one?—No, because precisely the same circumstances operate now as before. We accept the certificate of any duly qualified medical man.

6394. Do you find the certificates just as reliable as before? Have you got as much confidence in the certificates you get from these doctors, about whom you do not know anything, as you had in the certificates of your old lodge doctor, who was your paid servant?—I feel that when I have a certificate signed by a medical man, I am bound to accept the statement made on it.

6395. Do you really think so?—Are not all doctors equal before the law?

6396. I do not know anything about that. I am asking you whether it embarrasses you to have to deal with half a dozen men of whom you do not know anything, as compared with dealing with one man whom you do know?—No.

6397. It makes no difference?—No, it makes no difference. I should feel no difficulty in approaching one of these doctors, if I thought that the case required it.

6398. Have you in fact approached any one of them?—No. I have had no occasion to do so.

6399. Everything has gone quite smoothly?—Oh yes.

6400. From the way your members talk, do you think that they are getting the same attention as they got before? Are they as well satisfied as before?—I have heard no complaints.

6401. You do not on the other hand hear them say that they like it better?—No.

6402. (Dr. Fulton.) The doctor was always elected at a summoned meeting?—Yes.

6403. And the average attendance was about 100 out of possibly 600?—Yes.

6404. The ordinary officers would also be elected at a summoned meeting?—Yes.

6405. And the attendance would be about the same?—Yes.

6406. As a matter of fact owing to the exigencies of members living more than three miles from the lodge house, whether in London or the provinces, you have always had to accept the certificates of medical men over whom your lodge has had no control?—That is so, but in most cases they would be medical officers of other lodges.

6407. As a matter of fact a large proportion of your members have always been certified by medical men over whom your own lodge has had no control?—That is so.

6408. (Dr. Lauriston Shaw.) I just want to make one point quite clear. You say that there were 300 members living sufficiently near to the doctor to be justified in paying the 4s. to him directly?—That is so.

6409. You paid the 4s. on their behalf?—That is so.

6410. And of those 300, I think you said that 150 or about half of them probably did not employ this

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[Continued.]

doctor?—What I wanted to say was that half the actual cases of illness so far as they came under my notice would not be attended by him.

6411. These men, although they had a right to get free medical attendance, were, as a matter of fact, paying for medical attendance?—Quite so.

6412. So that for one reason or another, they preferred to pay for their medical attendance, rather than use the doctor provided for them?—I do not know that it was preference, but rather force of circumstances from the fact that they were residing too far away.

6413. They would all be within three miles?—Not necessarily. They would be initially, but not subsequently. In many cases they might have moved perhaps five miles away, and yet had not altered their arrangements.

6414. Although five miles away, you had not taken them off the list of those on whose behalf you had paid the 4s.?—Not unless they had notified me. Of course if they had notified me that they wished to be taken off it would have been done.

6415. Some at any rate would probably have gone to another doctor because they preferred another doctor?—Oh, quite true, there are personal preferences in these matters.

6416. (Mr. Wright.) It has been suggested that when you told us that the average attendance at a summoned meeting called to elect a doctor was about 100, that was only about one-sixth of the membership, but as a matter of fact when the summoned meeting was called to elect the doctor your membership was what—under 400?—Yes.

6417. Prior to the passing of the Act, the membership was considerably less than 600?—430.

6418. And at the time, two years ago, when you held the summoned meeting to elect the surgeon the membership was still less?—It fluctuated between 430 and 450 for some years.

6419. In fact the attendance at the summoned meeting to elect the surgeon would be about 25 per cent. of the membership?—That is so.

6420. With regard to these members, who, when they were sick, produced certificates from doctors other than the lodge surgeon, the majority of those would be members paying their medical contributions through other lodges?—Either that, or making private arrangements.

6421. Some of them would, at all events?—Yes a good many.

6422. In that case they would be having the attendance of doctors who were appointed by those other lodges exactly in the same way as your own doctor was appointed?—Exactly.

6423. A doctor subject to the control of that particular branch of the society?—Exactly.

6424. With regard to the other members, who were not paying their medical contributions through some other lodge but who produced certificates from doctors other than the lodge surgeon, would not they be those whose position had somewhat improved in life since they first joined your lodge?—That is extremely probable.

6425. I mean is that as a matter of fact your experience?—Oh, yes.

6426. That members joined your lodge when they felt they would really need the benefit?—Quite so.

6427. In other words, they felt that they could not afford to pay private doctors' bills at that time?—Yes.

6428. Then as their position in life improved, and they moved outside the three miles radius, they felt that they would like to employ their own doctor?—Yes.

6429. Therefore, you accepted those doctors' certificates?—I quite believe that there were many cases like that.

6430. And all that time the lodge surgeon was receiving in respect of those members 4s. per annum?—That is so, many members not troubling to give any notice of their desire to terminate the contract.

6431. You are not only secretary of this branch, but also Past Provincial Grand Master of the North London District?—Yes.

6432. You have passed through the various offices, and have a full knowledge of what obtains in the North London District generally?—That is so.

6433. The North London District being numerically the largest district in the Manchester Unity?—That is so.

6434. Can you tell the Committee whether what you have just said with regard to the conditions of medical attendance in your lodge applies generally to the lodges in the North London District?—I would say that it is a very general experience, yes.

6435. You would say that, knowing as much as you do about the North London District?—I would.

6436. And that, prior to the passing of the National Insurance Act, there were a large number of surgeons in the North London District who were being paid a capitation fee in respect of members, whom they were never required to attend?—That is so.

6437. Therefore, if it came to a question of mere arithmetic, the nominal capitation fee of 4s., or 5s. in some cases, would not represent the actual capitation fee in respect of the members attending?—Quite so.

6438. In your opinion is there any necessity for the doctors being made responsible to someone or somebody other than the patient?—I think so.

6439. You realise, of course, that National Insurance is a mutual insurance in the same sense as our old voluntary insurance was?—Exactly.

6440. And in the event of deficiencies, members will be called upon to make them good?—Quite so.

6441. Therefore, it is necessary in the interest of the whole body of members that sickness claims should be closely supervised?—Quite so.

6442. In your opinion does the present system of medical treatment have a tendency to induce doctors to give certificates easily to those who apply for them?—Well, I have no concrete instances to adduce, but speaking in the abstract, I should say yes.

6443. (Chairman.) Are you talking of conclusions to which you have come from your experience, or of what Mr. Wright, or I, may suppose might happen? If it is the latter, great as your experience is, it does not amount to much, but if it is the former it is of the greatest importance?—I am not basing that reply on any concrete instances.

6444. (Mr. Wright.) With regard to your independent sick pay, I have a form here which you were good enough to fill up for the Manchester Unity showing the amount expended in independent sick pay from the 1st January to the 30th June 1912, to be 353l. 1s. 4d., and the amount expended in the first six months of 1913, to be 391l. 16s. 8d., which is an increase of 38l. How do you account for that increase?—I should say that the increase in membership is largely responsible for it.

6445. You have only 82 members admitted since the passing of the Act, who are subscribing for additional benefits?—Yes.

6446. How many of those would be in compliance, and qualified to draw benefit for that period, the first six months of 1913?—Very few, that is true.

6447. Do you still say that the increase in membership would account for the increase in the amount?—No, perhaps I was wrong there.

6448. Do you think it possible that the fact that some of your members may be over-insured would lead to any increase?—No, I do not think that. I have had very few cases of illness relatively amongst those who are doubly insured.

6449. 171 of your members continue to pay their old rate of contribution, and will be entitled to double benefit?—Yes.

6450. And 106 reduced their contribution?—Yes. Perhaps I might supplement my statement by saying that the lodge has been established for 76 years, and that consequently there is an advancing age and therefore an increasing amount of sickness experience.

6451. (Chairman.) But the first thing to find out is whether it exists or not, and whether it is an abnormal rise, or whether it is going on steadily all the time?—There would be a rise in the natural order of things.

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[Continued.]

6452. (*Mr. Warren.*) Your experience over a long period would lead you to say that the members of the Manchester Unity, generally speaking, had ample opportunity of knowing one another?—That is so.

6453. And therefore they would to a certain extent have knowledge of any members making unjustifiable claims?—Quite so.

6454. And in that sense that might act as a deterrent?—Quite so.

6455. With regard to sickness supervision, you had a satisfactory system of sickness visitation?—Yes.

6456. And were able generally to supervise members even in their own homes?—That is so.

6457. And had knowledge as to whether they were following any occupation, or doing any work, or in any way violating the rules?—Yes, and the visitors were not official. They were simply called upon by reason

of their residing near the sick member, so that no sick member knew who was going to visit him.

6458. As it was put to you by Mr. Wright, there are probably many members, who joined the Duke of Bedford Lodge in their early days for the purpose of insurance, who have in the course of years improved their position but still continue to pay medical benefit contributions, although they probably may have removed to some distance, and have thereby called in some other doctor?—Many of them would not be aware that they could claim the rebate.

6459. And to some it would be immaterial because of their improved position?—Exactly.

6460. The fact of their choosing another doctor would not be because they were dissatisfied with the lodge doctor?—Oh, no.

6461-5. It would be that they simply pleased themselves in that respect?—Exactly.

The witness withdrew.

NINTH DAY.

Wednesday, 12th November 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT:

SIR CLAUD SCHUSTER (*Chairman*).

Mr. J. BURN.
Mr. WALTER DAVIES.
Dr. ADAM FULTON.
Miss MARY MACARTHUR.
Mr. WILLIAM MOSSES.
Dr. JAMES PEARSE.

Dr. LAURISTON SHAW.
Mr. A. W. WATSON.
Dr. J. SMITH WHITAKER.
Miss MONA WILSON.
Mr. WALTER P. WRIGHT.

Mr. ALEXANDER GRAY (*Secretary*).

Mr. J. W. SHAW (*Grand Secretary of the Order of Druids Friendly Society*) examined.

6466. (*Chairman.*) Are you the grand secretary of the Order of Druids Friendly Society?—Yes.

6467. Is that a friendly society registered under the Friendly Societies Act?—Yes.

6468. And an approved society under the National Insurance Act of 1911?—Yes.

6469. How many members are there on the private side of your society?—There are about 70,000 adults in the United Kingdom.

6470. Where do you draw the line between adults and juveniles?—We have juvenile and women members and widows. I am speaking of male adults when I say 70,000.

6471. What is an adult?—A person over 16 years of age.

6472. Do the 70,000 members on your private side correspond to the male persons who might be insured under the Insurance Act?—Yes.

6473. Besides these, how many women have you on the private side?—I have not those particulars. Roughly, there are about 1,000.

6474. On the State side, how many men have you?—68,422, in England only.

6475. Were the figures which you have previously given for all the four countries?—The 70,000 I mentioned on the private side is the number for the four countries.

6476. How many of those are in England?—About 64,000.

6477. On the State side, in England, you have 68,422 males; how many women have you?—8,127.

6478. How many of the 68,422, who are members on your State side, are also insured on your private side?—I should say 50,000.

6479. And of the 8,127 women?—Only very few.

6480. Taking the 50,000 insured on the State side who are also insured on the private side, what benefits are they insured for on the private side?—Full benefits; the benefits vary in different branches. It is generally about 10s. a week for sickness.

6481. What contribution do they pay?—It varies according to the age of entry.

6482. What is the range of the contribution?—From about 6d. per week upwards.

6483. You were secretary of this Order before the Act came into operation?—Yes. I was appointed secretary in 1909.

6484. Had you any connection with the friendly society movement before that?—Yes, since I was 16 years of age.

6485. As a private member?—As a private member, and I held official positions.

6486. Looking at the matter as one who has had experience, both as a friendly society official, and as an official in an approved society, what do you say generally on the question whether unjustifiable claims for sickness benefit are being made under the Insurance Act?—I think that the majority of them are perfectly justified.

6487. When you say the majority, do you mean the great majority?—Yes. The large percentage of the claims are, I think, perfectly legitimate claims.

6488. But still you find some which are what you call illegitimate?—Yes.

6489. What is the chief reason that you do find that sort of claim?—I think the compulsory insurance of persons, with a low standard of living and of poor health, who were not formerly insured, or, if so, could not afford to lie up for sickness, is the chief cause.

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[Continued.]

6490. Do you mean that the class of persons now being brought into insurance is making improper use of it?—No. I do not think so. These people who were sick before could not afford to stay away from their work, but now with the additional insurance they do so.

6491. Do they stay away from their work properly?—Yes.

6492. Then their claims are not illegitimate?—No.

6493. So what you mean is that the claims are heavier than they were?—Yes.

6494. But you think that they are proper?—Yes.

6495. What has led you to that conclusion? Would you like, for instance, to give us figures as to your experience?—Yes. I have got some figures here.

6496. Take the average weekly cost, for instance?—We have arrived at this conclusion from the fact that, in spite of an efficient system of sick visiting, the claims for sickness benefit are considerably in excess of the society's previous experience, and of the estimate of the Government actuary. The average weekly cost for the half-year ending July 12th last, gathered from returns in respect of branches with two-thirds of the membership of the society in England, is 3·06d. for men and 2·97d. for women. We find that the greatest sickness is experienced among the miners in the Newcastle district, and the low-paid workers in Leeds and the Potteries. The average weekly cost in these places is 3·64d. for men in Newcastle, 3·40d. for men and 3·78d. for women in Leeds, and 3·07d. for men and 3·86d. for women in the Potteries.

6497. Has that been steady all through since January, or has it been fluctuating from week to week?—I think it has tended to increase since January.

6498. Have you taken it out week by week?—No.

6499. Have you got it per quarter?—No. The period taken is from January to July.

6500. Have you subdivided it into the two quarters?—No.

6501. So far as the claims which have come forward are concerned, I understand you to say that there some, which are not justifiable?—Yes.

6502. What do you think generally about them? Do you think that people are influenced by the fact that they do not understand what they are doing, and do not understand what insurance means?—Yes, from ignorance of the principles of insurance, they do not realise that if the funds are depleted, they will have to make them good themselves; and there is an impression abroad that the benefits are guaranteed by the Government.

6503. Do you think there is very much over-insurance?—There is some.

6504. In your society?—Yes.

6505. Is there any particular class that your society particularly gets, or caters for?—No. We get members from practically all the working classes.

6506. Is there any particular part of the country in which you get most of your members?—We are strong in the Newcastle district, and we have a large membership in South Yorkshire and in the Midland counties.

6507. Do you mean in the south of the West Riding of Yorkshire?—Yes.

6508. Therefore it is mostly in the industrial districts of England that you are strong?—Yes.

6509. Other than in Lancashire?—We are fairly strong in Lancashire. We have about 10,000 members in Lancashire.

6510. Mostly men, or women?—Mostly men.

6511. How many of those on your voluntary side have in fact, when they came to make their option, determined to continue their full contribution?—96 per cent.

6512. That means that a very large proportion of your membership, in fact, draw 1l. a week when sick?—Yes.

6513. Do you think that that does have some effect on their minds?—Undoubtedly it does.

6514. What sort of effect would it have? Of course, it cannot be put very exactly?—I mean that if a man can get 1l. a week sickness pay, if he is not

well, he does not hesitate to stay at home and get better.

6515. It keeps him on the fund when he might go off?—I will not say that. I think that he needs to stay at home in many cases. I have a particular case in mind of a woman who was a charwoman, doing casual labour, domestic work. She was examined by the doctor a few weeks ago, and was declared to be suffering from over-work, and the doctor told her that she should have received attention five years ago at the very least. She says that she was quite aware of this, but that she could not previously afford to lie up, as she had herself, and a child, and a widowed mother to look after. That is an instance of this insurance doing good. That woman is able to get medical advice, stay at home, and get properly better, whereas without the insurance she would have gone struggling on.

6516. So far as malingering is in question, you say that you do not find many instances of it, but I suppose you do find some?—Yes. We do find cases of malingering. There is no doubt about that. But the percentage is very small.

6517. And do you find any cases of deliberate fraud?—Yes, we have found cases of deliberate fraud.

6518. What sort of cases?—I will give you particulars of three cases which I have here. One was a member who declared on the funds, and remained on for two weeks. He lived some distance from the branch secretary, and the benefits were sent to him by post. The secretary was rather suspicious about the case, and wrote to him to ask if he were really sick, or following his employment. He did not get a satisfactory reply, and wrote to the employer, who stated that the man had been at work all the time. He received two weeks' sickness benefit from the society, and he was working all the time.

6519. What did you do to him?—We fined him 10s. and suspended him from sick benefit for 12 months.

6520. Do you think that an adequate penalty?—Personally I do not think it was, but the branches have self-government in societies of our description.

6521. What was the next case?—The second case was that of a member at Leeds, who declared on the funds from January 16th until February 8th, and was paid sickness benefit. He again declared on the funds on February 13th and remained on until March 7th. Benefit was paid for that period except for the last week. His employers told us that he was working from January 16th to the 20th and on the 30th, and from February 5th to the 7th, and from the 10th to the 14th, and on the 24th, and from March 3rd to the 12th. I submitted that case to the Commission. This was on the January 16th as soon as the benefits commenced. I asked the Commission to take action, but they declined to do so, informing us that we had full power to deal with it ourselves.

6522. Did you deal with it yourselves?—Yes. We expelled the man from membership.

6523. You did not take any criminal proceedings?—No. I have another case of a member who went on the sick fund on May 7th. He went to the races at Chester. He returned at 10 o'clock at night. Three days afterwards he was found drunk in the street at 11 o'clock at night. He was convicted of that at Tunstall Police Court, and was fined 20s. and costs, and he also forged the signature of the doctor on the benefit form. We expelled him.

6524. From your experience, how far do you think that the attitude of the medical profession is influencing the question of the claims: that is to say, how far is it keeping them down or increasing them?—I do not think that there is the same hostility to the Act that there was.

6525. Did you find hostility at the start?—Yes.

6526. Do you mean that you personally found hostility?—Yes.

6527. How?—Perhaps when I say personally, I am not quite correct, but cases were reported to me personally at Manchester, where the doctors would not have anything to do with the Act, and would not certify the sickness, and would not give the man a certificate.

6528. That was sheer revolt?—Yes.

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6529. That was quite early?—Yes.

6530. What do you find now?—Our chief difficulty now is the slackness in granting certificates for minor ailments, for such complaints as earache, toothache, sleeplessness, and chapped hands.

6531. Have you or your branch secretaries investigated that?—Yes.

6532. Have they found many cases of this description?—They have found a good many cases in which the member in their opinion was quite able to work.

6533. How did they test whether their opinion was right or not?—They go a great deal by the conduct of the member. If he is able to walk about pretty well all day, they think he is able to work. They consider the particular employment a man is following.

6534. A statement like that depends so much on what the actual facts are?—Yes.

6535. One can imagine circumstances in which such a certificate is correct?—Yes.

6536. One can also imagine circumstances in which it would be a very improper certificate?—Yes. Generally speaking, I should regard a certificate given to a man suffering from toothache as being an improper one. I had toothache hundreds of times myself, and I never ceased work through it. I may give you an experience of my own. When I was quite a youth I was feeling very poorly. I went to the doctor and he said, "You are a little bit run down; I will give you a certificate." I then held an official position in the Midland Railway Company. We had to produce a certificate before we could stay away from duty. The doctor gave me a certificate with a Latin term on it, and before I sent it in to the railway company I got a medical dictionary, and looked up the meaning and found that I was suffering from headache, and I went to work instead of staying at home.

6537. Do you suggest, for instance, that in giving these certificates, doctors are wantonly putting on the fund people who should not be there, or giving way to the importunity of people whom they do not like to disoblige, or that they are honestly, but mistakenly, keeping people away from work who, they think, ought not to go to work?—I believe that in many cases the doctor is honestly of opinion that the man is better away from work, but in other cases I think that they ought not to give a certificate for such simple complaints.

6538. What do you say about the doctors' point of view as to illness which does, and illness which does not, incapacitate from work?—I do not think that they appreciate that. If a man goes to the doctor and says that he is not feeling very well, he gives a certificate certifying that he is incapacitated, without trying to think whether the man is, or is not, really incapacitated from working.

6539. On what do you base that statement?—On the many certificates for simple complaints.

6540. What do you say about the actual filling in of the certificate? Are your secretaries always able to get the certificate filled in in such a way that they can understand it?—They have very little difficulty now.

6541. Did they find it difficult at first?—Yes.

6542. They found the space left blank?—Yes, and in other cases the word "illness" was put in.

6543. You do not find that now?—Very little of it.

6544. Where you do find it, do you find that it sometimes arises from a desire to safeguard the interest of a particular patient suffering from a particular disease, by not writing it down?—I cannot say. Since that new form of certificate was issued by the Commissioners, I do not remember any case in which they have refused to state the nature of the illness.

6545. The nature of the illness has been given in such a form as to be intelligible?—Yes.

6546. What do you say about the continuing certificate?—It is given very often without the doctor having seen the patient.

6547. Why do you say that?—I have a case here where a woman is certified to be incapacitated, and to be suffering from varicose veins, on August 28th of this year. She was given a continuing certificate on September 1st, by the same doctor, and also on 8th, 15th, and 22nd, and by his assistant on the 29th of September and 6th of October, and on 12th of October

she was certified by the assistant to be able to follow her occupation. The member informed us that neither the doctor nor his assistant had ever seen her.

6548. From start to finish?—Yes.

6549. Do you mean that the doctor did not see her even when giving the first certificate, which she presented in declaring on the fund?—Yes. The initial certificate, seven continuing certificates, and the final certificate had been granted by the doctors without having seen the patient.

6550. How did you get that information?—It was reported to me by a branch secretary. I am investigating the case further. We are trying to get a written statement to that effect from the member, and the facts are going to be reported to the Lancashire Insurance Committee. I learnt the facts on October 31st.

6551. You have had no time to test it?—Not thoroughly. The letter of the secretary says that when she declared off, it was stated by the member that the doctor had never seen her.

6552. Was any reason given for this?—No. We had some difficulty with this doctor before. He was one of the doctors who refused to state the nature of the illness on the certificate.

6553. Of course, I assume that you are going to press that case home. Are there any further cases?—Here are some cases reported within the last week where the secretary of the branch says: "I have a great many sick notes coming in signed by doctors a week previous to their being given to patients," and he wants to know if they are bound to pay on those.

6554. I do not quite understand?—Say that a member goes to a doctor to-day, and the doctor gives a certificate dated for last Wednesday.

6555. You are talking now about the original certificate?—Yes, the initial certificate. I wrote for a further explanation of this, and the secretary says: "In reply to your letter of 31st, we have received three cases during the last week of doctors' ante-dating sick notes. I received a certificate on the 30th signed by Dr. — dated for the 24th. On the 29th I received a certificate signed by Dr. — dated '24th, and on the 31st a certificate signed by 'Dr. — dated for the 27th.' This is one branch, and three different doctors are concerned.

6556. Have you taken any steps about those cases?—I have told the secretary to report the facts to the Cheshire Insurance Committee.

6557. Are you putting this case forward as evidence of a general practice which still prevails, or are they just isolated cases?—I am putting it forward to prove what I said, that there is considerable slackness in granting certificates. Dozens more could be given.

6558. Are you saying that there are lots more of these cases, that you could produce if you liked, and that you are only giving those to save time?—That is so. I am giving three or four cases that came to my notice within the last few weeks.

6559. And do you say that there are plenty more?—Plenty more.

6560. Coming to the question of continuing certificates, I understand you to suggest that the evil arising through them is rather different, and as far as I can gather, rather more widespread?—I do not know that there has been so very much complaint about continuing certificates, except that some of the branches say that they are signed by the assistants.

6561. There is no harm in them being signed by an assistant, if the patient does not mind being attended by the assistant, and if the assistant is a qualified man?—There is no objection except that the initial certificate has been given by another doctor, and perhaps the assistant does not examine the man; so the man comes in and says: "I do not feel able to go to work," and the assistant says: "All right, I will sign a continuing certificate."

6562. That may or may not be serious. Suppose the original certificate certifies some serious complaint, it might not be necessary for the assistant to do more than see if that complaint is still going on?—It may not.

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6563. You do not find that they are being given without anybody seeing the patient?—There is that one case.

6564. But generally speaking?—I believe that there are other cases.

6565. Where were the three cases of deliberate fraud, to which you referred earlier in your evidence?—The first was in Cheshire, the second at Leeds, and the third in the Potteries.

6566. Take the Cheshire case first. In that case a man went on committing frauds upon you by pretending to be not at work, when he was at work?—That is so.

6567. Did he present a certificate from week to week?—He was only on the funds two weeks.

6568. Did he present certificates for each of these two weeks?—Yes, he presented an initial certificate and a continuing certificate.

6569. What was the complaint from which he was supposed to be suffering?—I could not say; I have not got those particulars.

6570. I suppose the certificate was signed by the doctor?—Yes.

6571. There is no allegation that the doctor's signature was forged?—No.

6572. Did anybody go to the doctor, and get his assistance in detecting the man?—I do not think that they did. They found out that the man was working, and they did not trouble any more about it. They fined him 10s., and suspended him from benefits for 12 months.

6573. The Leeds case was much more serious?—Yes; it lasted practically from January 16th to March 12th.

6574. What were the facts in that case?—He produced an initial certificate from the doctor, and a continuing certificate every week.

6575. What was the claimant said to be suffering from?—I cannot say that; I have not got those particulars.

6576. Did the doctor sign all these certificates?—Yes.

6577. Did you ever ask the doctor how he came to sign these documents?—I believe a representative of the branch did see the doctor, and I think that the doctor's explanation was satisfactory, that the man was undoubtedly suffering from the complaint that the certificate stated, and that the doctor said he should have been away from work but he was not. In none of these three cases was there any complaint about the doctor.

6578. In the Potteries case did the member forge the doctor's signature to the certificate several times?—No, only one week, on one continuing certificate. He was given an initial certificate by the doctor, then afterwards he got into trouble, and was convicted in the police court; and I suppose he did not care to go to the doctor, and he forged the doctor's signature on the continuing certificate.

6579. Did you tell the doctor about it?—Yes, we told the doctor about it, because he said it was not his signature.

6580. I thought the doctor might have had something to say?—He said it was not his signature.

6581. If your branch secretaries were in fairly close touch with the doctors, perhaps some of these things would not happen. Do you think that they are in sufficiently close touch with the doctors?—They are not in so close touch with them as they were under the old conditions.

6582. One realises that the new conditions made a considerable change?—Yes.

6583. Are you making efforts under the new conditions to develop the same friendly relations with the doctors, as prevailed under the old conditions?—I believe we are doing our best. Our branches are willing to work amicably with the medical profession, but we want the medical profession to protect the funds of the society, as far as they can properly do so.

6584. Taking your own administrative machinery, the Order of Druids is an affiliated order?—Yes.

6585. With branches in the true sense of the word?—Yes.

6586. How are they governed?—By the committee of management.

6587. Which the members elect themselves locally?—Yes.

6588. Have they got a secretary?—Yes.

6589. Is he paid?—Yes.

6590. I suppose a different amount for different branches?—Yes, it varies in accordance with the membership.

6591. Have you whole-time officers?—In many cases, yes. The constitution of our society is somewhat different from that of the other affiliated societies.

6592. What is the difference?—We have what we call equalised districts, but the more correct term is centralised districts. In these districts the contributions of all the members are entered in a central pool, and from that pool the benefits are paid. The lodges in connection with these districts are not registered. They are simply collecting agencies to collect the contributions of the members, and distribute the benefits.

6593. Then they are grouped into branches?—Districts consisting of unregistered branches.

6594. The districts really correspond with an ordinary branch?—That is so.

6595. The districts in turn are governed by delegates from these unregistered branches?—Yes.

6596. Carrying out the same arrangement under the Act of 1911?—Yes, and we have found this very satisfactory.

6597. Is the secretary the secretary of the district, or of an unregistered branch?—He is the secretary of the district. The district is the unit of administration in nearly all cases. The bulk of our membership is in these centralised districts.

6598. How often would the committee of management meet?—In some cases weekly, in others fortnightly, and in others monthly, it varies in accordance with the size of the branch.

6599. I suppose the secretary is on duty every day or every evening?—Yes, every day.

6600. Are there any officers of the branch besides the secretary?—The treasurer.

6601. But is there any executive officer other than the treasurer who keeps the cash?—He is *ex officio* a member of the committee of management.

6602. Is there any sick visitor?—Yes, there are sick visitors in the lodges.

6603. Are they paid officials, or members of the branch who take on the duty?—Members of the branch who take on the duty.

6604. Week by week?—No, generally the man is elected for six months.

6605. Is he paid?—Yes.

6606. What is he paid, roughly?—It varies from 3d. per member per annum to 6d. per member.

6607. Would there be one sick visitor for one branch, or several?—In the case of the centralised districts, we will say with 50 lodges comprised in the district, there will be 50 sick visitors, and probably two in some of the lodges.

6608. Are they elected by the separate unregistered branches?—Yes.

6609. Are they subject to the control of the district governing body?—Yes.

6610. Have they got any definite duty to perform?—Yes, according to the rules they should visit the member weekly.

6611. Every sick member?—Yes.

6612. Is it a principle of your society that everybody in receipt of benefit should be visited at least once a week?—Yes.

6613. Is that carried out?—Yes, now.

6614. Was it not carried out before the Act?—I do not think it was, not in all cases.

6615. What makes you think it is efficiently carried out now?—Because we think it is more important that it should be carried out now.

6616. There is a greater tendency on the part of the members to get a bit of their own back now?—Yes, that is so.

6617. Does the sick visitor report to anybody?—He should report to the lodge meeting.

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[Continued.]

6618. Assembled together?—Yes.

6619. Not to the secretary?—He will report to the secretary, if there is misconduct or anything like it, and the secretary could withhold benefits. Then the facts will be reported to the next meeting of the lodge.

6620. Suppose one of your members falls sick, he will go to the doctor?—Yes.

6621. What does he do then?—He will give the certificate to the secretary.

6622. Personally?—Yes, or he sends it by messenger or by post.

6623. Are most of the lodges so situated that the members are in close physical touch with it?—Yes.

6624. There is not much posting?—No, that is so.

6625. He gives that certificate to the secretary with his declaring-on-note?—Yes.

6626. What does the secretary then do?—In the case of a centralised district, the lodge secretary sends it to the district secretary by post.

6627. Does he not send any note or comment of his own?—If he considers it necessary he does, but in the ordinary case he would send it along with all the other certificates on a certain day in the week.

6628. On which day?—It varies. In some of the branches it would be Wednesday, some Friday, and some Saturday. They have their own arrangements.

6629. The unregistered branch sends it to the district secretary?—Yes.

6630. What happens then?—The district secretary consults the register, and then authorises the branch secretary to pay.

6631. Are the contribution registers kept in the district office?—Yes.

6632. Therefore, until there has been a reference to the register, it is not possible for the branch secretary to know whether it is going to be paid?—No.

6633. Then the district secretary instructs the branch secretary to pay?—Yes.

6634. Suppose that the district secretary does not like the form of the certificate, what happens then?—He would refer it back to the lodge secretary.

6635. What sort of thing would cause him to refer it back to the lodge secretary?—If the complaint stated on the certificate was one which, in the opinion of the district secretary, had been brought on a member because of his own misconduct.

6636. We will come to that later. Suppose he found on it "earache," for instance, what would he do?—Probably he would tell the lodge secretary to go and see the doctor, and ask him if he really thought that this man was incapacitated from work.

6637. Has that been done?—I believe so in many cases.

6638. What has been the result?—The doctor has signed him off.

6639. Suppose there is such a case as debility, what would he do then?—I think the general practice is to pay in these cases for a little while, and then to make some inquiry.

6640. Suppose the district secretary does not much like the certificate, does he do anything on his own responsibility, or through the committee?—Sometimes on his own responsibility; in fact very often, because his committee might not be meeting for a fortnight. If he is suspicious about any of these cases in a certain lodge in a particular part of the country, he will probably go down himself, or send someone down to investigate these cases. He will take the membership of the lodge and, if the percentage of members who are ill during a certain period is very high, investigations will be made, it may be by going to see the doctor and asking if the health of the people in the neighbourhood is particularly bad, and so on.

6641. Coming to the question of misconduct, what happens as a rule if a member is accused of misconduct? Is he brought up at a district meeting, or before a branch meeting?—He is brought before a branch meeting. That is the rule.

6642. What is the practice?—That is the practice as well.

6643. Do they decide whether they will fine or suspend him, or what other action should be taken?—

Yes, because the members of the lodge will usually live in the district.

6644. Is there an appeal from them to you?—Yes, there is an appeal against the decision of the lodge to the district committee of management. There is an appeal against the decision of the committee of management of the district to a district delegate meeting, and there is an appeal against the decision of the district delegate meeting to the central body.

6645. And eventually an appeal to arbitration?—No, to the central body, the board of management, and their decision is final and binding.

6646. Suppose somebody is dissatisfied, suppose the secretary said, "We have been paying you for a year, and we are going to take you off"—In practice the secretary would say: "You are going to have no more money, you are able to go to work."

6647. What happens then?—The man has an opportunity of appealing to the lodge. In most cases he is satisfied with the decision of the secretary, or at least if he is dissatisfied, he does not take any further steps.

6648. Is it the same with regard to these misconduct cases?—Yes.

6649. Are the suspensions notified to you?—No.

6650. Are the fines notified to you?—Not unless the member appeals.

6651. Of course expulsion would be notified to you?—Yes.

6652. Have there been many expulsions?—Only the two cases I mentioned.

6653. In getting his case decided, is the man at any expense or not?—I think the rules provide that if a man is put to any expense and wins his case—

6654. But suppose he loses, does he run the risk of losing his costs?—Yes, the costs would be very slight,—probably his own travelling expenses and those of the witnesses.

6655. He does not have to deposit anything for the expenses of the court?—No.

6656. Nothing as a preliminary deposit?—No.

6657. Have you made use at all of a medical referee, or a second medical opinion, with a view to testing the first certificate given?—I believe that some of the branches have, but we have no definite details with regard to that.

6658. You do not know anything about it?—No.

6659. Did you avail yourselves of a medical referee, on your private side, before the Insurance Act was passed?—Only in the case of members who went to their own doctor, and not to the lodge doctor. Any member had the right to choose any surgeon he thought fit, and we accepted the certificate, but we reserved to ourselves the right to have him re-examined by the lodge surgeon, whose decision was final in the case.

6660. At whose expense was that?—At the expense of the lodge.

6661. Is there anything more you would like to say about the sick visiting?—I do not think so. We have a pretty comprehensive system of sick visiting. We have always paid particular attention to that, and in spite of this sick visiting, the claims are increasing. An instance was reported only yesterday by the secretary for Maclesfield who came over to see me. I asked him how he was getting on with the payment of sickness benefit. He said that there was a great deal of malingering. I said, "Are you doing plenty of sick visiting? Are your sick visitors keeping the rules?" He said, "I am the sick visitor as well as the secretary. I visited a man 14 times in one week, the first thing in the morning and late in the evening, and at the end of the week he said he had had enough of it."

6662. Do you think he cured him by that?—I would not like to say that, but he went back to work anyway.

6663. Have you got any rule about medical referees in your rules?—Yes.

6664. What is the rule?—Rule 12, subsection 25, which enables the committee to require a member in receipt of sickness benefit to submit to medical examination by a doctor appointed by the committee for the purpose.

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6665. You say, in fact, that you have got really nothing to suggest in the way of improved machinery, and that you have very little complaint to make of the action of the doctors or your members. You do find, notwithstanding, that your claims on the men's side, as well as on the women's side, are heavier than you think you will be able to meet in the long run. Is that what it comes to?—Yes.

6666. Can you give us any general assistance about that? Do you find, for example, that that refers to different parts of the country, or is it the universal experience?—It is pretty universal.

6667. Did you find that this increase was going on on your private side in reference to the sickness experienced before the Act was passed?—Yes. There has been a tendency for sickness claims to increase for the last ten years to my knowledge.

6668. Would you say that there has not been any increase due to a real increase of sickness, but that it is rather due to the increase of sickness claims? People are not sicker than they were ten years ago?—I do not know. They are rushed a great deal more at work now. The pressure of work is a great deal more than it was ten years ago, the speeding-up in the working of mines, railways, and collieries certainly has a tendency, if a man is not feeling well, to make him stay at home, whereas if things were not speeded up so much, he might, perhaps, be able to continue his work.

6669. Are you saying that from hearing people talk, or from your own observation?—From conversation and my own knowledge.

6670. Is that what you attribute it to?—Largely.

6671. Nothing else?—That is what we attribute the increasing sickness to on our private side.

6672. Does that tend to become more marked since the Act came into operation?—Yes.

6673. Have you any figures about that?—The increase varies from 25 per cent. to 75 per cent.

6674. That is the increase on your private side?—Yes, taking the first six months of this year, and comparing them with the same six months of last year.

6675. Do the 25 per cent. and the 75 per cent. increase refer to different branches?—Yes. With some it is 25 per cent., and with others it is 40 per cent. and 50 per cent., and up to 75 per cent.

6676. To what do you attribute the increase of 75 per cent.?—I attribute it to the fact that a man can afford to stay at home now, if he is not feeling well, and it is the same with a woman.

6677. Do you find that that is equally the case with men and with women?—It is not so great in the case of men.

6678. The figures which you gave earlier in your evidence are more alarming in the case of men than of women?—I can go further than that; I have got the figures for 11 branches having a membership of 51,447 men and 5,844 women. The number of claims was 11,727 for men and 1,128 for the women.

6679. In what period?—For the half-year ended July 13th. The percentage of claims to membership is in the case of men 24 and in the case of women 19. The average weekly cost in the case of men is 3-06d. and in the case of women 2-97d. Those are branches in the Midland counties, in the north-east of England, in the Potteries, in Yorkshire, and in Lancashire.

6680. Have you selected them as being heavy cases?—No, I took 11 of the branches, where they have a whole-time secretary, thinking that I should get more reliable particulars.

6681. Was that the only selection test that you applied?—Yes.

6682. Is the average for sickness benefit only or for sickness and maternity benefit combined?—It is for sickness benefit only. I have the maternity figures here if you would like those.

6683. I do not think we need trouble with those. Of course those 11 districts are the districts with the largest membership?—That is so; I can give you the particulars of the different branches. They show how the claims vary in different parts of the country. Take the Midland counties first. The percentage of claims to membership is 17 for men and 12 for women. In

the southern part of Durham it is 18 per cent. for men and 9 per cent. for women. In the Potteries it is 20 per cent. for men and 18 per cent. for women. In Cheshire it is 23 per cent. for men and 18 per cent. for women. In Yorkshire it is 25 per cent. for men and 26 per cent. for women. In Manchester it is 15½ per cent. for men and 20½ per cent. for women. In Newcastle it is 14½ per cent. for men and 5 per cent. for women. You notice a very great difference there in respect to women's claims.

6684. Is there any inference that you would like to invite us to draw?—Yes, I do not think that there are many women workers in Newcastle.

6685. Perhaps if we get the figures attributable to each branch it would make the information clearer?—Very well. The first branch is Birmingham with 2,127 men and 237 women. That was the membership on the 12th January this year. The number of claims from that branch in the half-year ending July 13th this year, was 358 men and 29 women, and the percentages were 17 for men and 12 for women. The next branch is Darlington. They have 3,141 men and 219 women. The number of claims is 568 men and 20 women, and the percentages are 18 for men and 9 for women. The next is the Potteries with 5,453 men and 1,134 women. The claims are 1,103 men and 208 women, and the percentages are 20 for men and 18 for women. The next is Crewe with 2,066 men and 187 women. The claims are 470 men and 31 women, and the percentages are 23 for men and 18 for women. The next is Leeds with 6,465 men and 1,168 women. The claims are 1,648 men and 306 women, and the percentages are 25 for men and 26 for women. The next is Manchester with 3,042 men and 1,244 women. The claims are 475 men and 255 women, and the percentages are 15½ for men and 20½ for women. The next is Newcastle with 3,673 men and 281 women. The claims are 534 men and 16 women, and the percentages are 14½ for men and 5 for women. We have another branch in the Newcastle district—called Newcastle, Northumberland and Durham District, with 3,321 men and 198 women. The claims are 650 men and 25 women, and the percentages are 20 for men and 12½ for women. The next is Rotherham with 10,102 men and 574 women. The claims are 2,964 men and 141 women, and the percentages are 29 for men and 25 for women. The next is Sheffield with 10,944 men and 469 women. The claims are 2,736 for men and 77 for women, and the percentages are 25 for men and 17 for women. The next is Oswestry with 1,113 men and 133 women. The claims are 221 for men and 20 for women, and the percentages are 20 for men and 15 for women. I have got the average weekly cost in pence of all these branches. The average weekly cost in respect of branch A. is 2-70d. for men and 0-66d. for women. The next is 2-33d. for men and 2-66d. for women. The next is 3-07d. for men and 3-86d. for women. The next is 3-18d. for men and 2-61d. for women. The next is 3-40d. for men and 3-78d. for women. The next is 2-58d. for men and 3-38d. for women. The next is 3-64d. for men and 0-65d. for women. The next is 2-73d. for men and 1-75d. for women. The next is 3-17d. for men and 2-61d. for women. The next is 2-70d. for men and 1-54d. for women. The next is 2-62d. for men and 2-73d. for women. The total membership is 51,447 men and 5,844 women. The number of claims from men is 11,727 and from women 1,128. The average percentage of claims to membership is 24 in the case of men and 19 in the case of women. The average weekly cost in pence is 3-06d. for men and 2-97d. for women. That is an excess over the actuarial estimate in the case of men of two-thirds of a penny and in the case of women of 1½d.

6686. You mean in excess of what the Commission suggested that you might draw for your claims?—Yes.

6687. What do you mean by a claim in the figures you have given?—A case in respect of which the sick benefit is paid—the number of separate claims.

6688. Suppose a member comes on, and stays on for a quarter, does he count as one claim, or thirteen claims?—One. It is the number of members declaring on the fund.

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6689. Suppose he comes on, before the end of a quarter, and stops on into the new quarter, does he count as one claim?—Yes, but if he goes off, and comes on again, he will then be counted as two claims.

6690. (*Mr. Davies.*) The forms are made up quarterly?—Yes.

6691. So that if a man was on the funds at the end of one quarter and the beginning of another, he would be counted as two cases, because one portion would be applicable to one quarter, and the other to another?—No; if a man's sickness lasts for twelve months without any broken period it would be one claim, but if it came on twice in the course of six months, it would be two.

6692. (*Chairman.*) You realise that the figures for the women in the great majority of these cases are so small, that they are not very much on which to base a conclusion?—That is so.

6693. The only three on which you could reasonably base much in the way of a conclusion are the Potteries, Leeds, and Manchester?—That is so.

6694. Those are the cases in which the cost of the women is greatest?—Yes.

6695. Leeds is the only case where there is actually a higher percentage for women than for men, with the exception of Manchester, where the percentage of women greatly exceeds that of men?—Yes.

6696. The excess is largest in Manchester?—Yes.

6697. There is a considerable number in the Potteries?—Yes.

6698. In the other cases the numbers are so small that one might disregard them?—Probably so, except that these branches have got to be separately valued.

6699. I agree that it is important from the society's point of view, only I was thinking of the general conclusion we might draw from the figures?—Quite so.

6700. Have you any idea of how many out of the number of women members you have got are married, and how many are single?—No, I am afraid I do not have those figures. We are getting them now for the purpose of claiming reserve values.

6701. (*Mr. Burn.*) It appears to me that you have only given us the actual number of certificates of claims, but no analysis of the length of claims?—No.

6702. So you would give equal importance to a claim of several weeks, and to a claim of only a day or two?—Yes.

6703. These figures which you gave for average weekly costs, not appearing so excessive as some of the cases which you referred to, led me to suppose that you must have a very large number of the claims which only declare on for a few days?—Probably so.

6704. Have you made any investigation which would lead you to the conclusion that the average length of your claim is longer now than it was before the National Insurance Act came into force?—I am afraid that I cannot compare our sickness experience now, as far as average duration is concerned, with our previous experience before the National Insurance Act came into operation.

6705. So you cannot give us any idea as to whether the sickness, which was referred to as an increase of from 25 per cent. to 75 per cent., is due to a longer average duration of the claim, or to a larger number of claims?—I should say that it is due to both, but I have no figures.

6706. (*Mr. Mosses.*) You have 70,000 male adults on your private side?—Yes.

6707. And 50,000 in the insurance section, who are also on the private side?—Yes.

6708. Are these 50,000 male adults?—Yes.

6709. Then you have an exceedingly large percentage of voluntary members, who are also State insured members?—That is so.

6710. How did you get those members? Was it by canvassing?—No, by sending the application forms out; that was all.

6711. You took no extraordinary methods to induce them to become members of the approved side?—No.

6712. Did you pay any procuration fee?—In some cases the branches did—a very small one though, not exceeding 3d.

6713. You have referred to excessive sickness claims among Northumberland miners. Have you many miners outside Northumberland?—Yes, in South Yorkshire.

6714. Can you draw any comparison between the amount paid to Northumberland and South Yorkshire miners?—I have the figures here. In the case of the Newcastle, Northumberland, and Durham districts the percentage of claims is 14½ and 20, and in the case of South Yorkshire it is considerably higher, 29 per cent. and 25 per cent.

6715. (*Chairman.*) Are these miners only?—No, but there is a large number of miners in these branches.

6716. (*Mr. Mosses.*) To what do you attribute the difference between the two places?—I am unable to say to what it is due.

6717. Is the system of sick visiting and general supervision and administration the same in both cases?—Yes.

6718. Have you any purely miners' lodges?—We have no exclusively miners' lodges.

6719. They are mixed up?—Yes; these branches are not composed exclusively of miners.

6720. Do the miners predominate in any of your branches?—Yes. I should say they do in South Yorkshire.

6721. They do not in Northumberland?—No, I do not think that they predominate there.

6722. So you could not give any accurate comparative statistics with regard to this particular industry as between the two places?—I could get them.

6723. But you have not got them?—No.

6724. With regard to your management, have you any women upon your boards of management?—No.

6725. I take it the office of your approved section is the same in both cases—the same as under Part I. of your rules?—Yes.

6726. Are the officers the same?—Yes.

6727. You are secretary of both?—I do not think there is any "both" about it. I am the secretary of the society.

6728. Including the State?—Yes. It is an approved society. We have not established any separate section.

6729. The board of management, the ultimate court of appeal, is the same in both cases?—Yes.

6730. Both voluntary and State section?—Yes.

6731. Are there any women on your managing committees?—No. There has been no demand for seats to be given to women yet. No one has asked for it.

6732. If they were to ask for it, would they be entitled to representation?—I do not think there is anything in the rules to prevent women from being elected to the board of management, but I would not like that to be taken as definite; I have not carefully considered it.

6733. Have they free access to your meetings?—Yes.

6734. Do they attend as a general rule?—No.

6735. Do they ever attend?—I do not think that they do.

6736. Then that is voluntary disfranchisement on their part, so far as you are concerned?—Quite so.

6737. You complained of the ease with which medical certificates are given?—Yes.

6738. Have any cases been reported to you, in which a medical certificate has been refused?—No, I have no doubt that there are cases, but there would be no reason for this to be reported to me.

6739. But so far as your knowledge goes, you do not know of any case in which a medical certificate has been refused?—No.

6740. You also complained of the unintelligibility of the certificates, and wished them to be made more intelligible?—No, I do not think I complained of that.

6741. You referred to some of them having Latin words?—I was not complaining in any way about it, I was simply quoting a case in point.

6742. But would you prefer that the entry were made so that laymen would understand what was meant?—Yes; it would be a convenience, but you can always get a medical dictionary for a shilling.

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6743. Do the members frequently change their doctors?—I do not think so.

6744. Who pays the sickness benefit?—The sick visitor.

6745. You have three inspections of a sick member. You have the doctor's continuing certificate which, presumably, is made after the doctor has seen the patient?—It should be.

6746. Then you have the indirect sick visiting, and you have the sick visiting proper to the patient?—By one and the same person.

6747. But at different times, perhaps?—Yes.

6748. So you exercise very efficient inspection over your sick members?—Yes.

6749. Notwithstanding that fact, you are very much in excess of the actuarial estimate of what it should cost?—That is so.

6750. With regard to transfers, do you get many members by transfer?—Yes. We have had a good many.

6751. Do you lose many?—We have not lost very many.

6752. Do you give transfers freely?—Yes, if they have a good reason for desiring the transfer. If they move to a part of the kingdom, where we have no branch, or give us some reason why they want to join a particular approved society, we do not object.

6753. Are there many cases in which they fail to satisfy you that they are giving a good and sufficient reason?—There are a few cases lately where they failed to satisfy us, because they wanted to join a society, that would not let any come to us, so we take a lot of satisfying on that point.

6754. Then I take it that you frequently refuse transfers?—Yes. Of course, I have not looked that question up; I did not expect to be called on to give any evidence about transfers.

6755. It has a very important bearing upon the inquiry we are instituting with regard to excessive sickness?—I think I said in my evidence that the way in which the illness is described in many cases arouses suspicion, and causes officials to suggest that the case is fit for investigation, and these suspected cases have sometimes led the members to give notice of transfer. They undoubtedly do that, if it is suggested to a man that it is time that he went to work, or if we find him breaking rules and fine him, he straightway gives notice to transfer to another society. I have got three or four cases that I could quote.

6756. Of course there would be no justification for inferring that you refuse the transfer of a healthy man, who did not come on the funds, and give facilities for a man who was frequently on the funds to go off?—No, if we know a case of a man continually on the funds, and if we were suspicious as to his case being a genuine one, and he wanted to go to some other society, we would not offer any serious objection.

6757. You would shuffle off your responsibilities to some other society?—No, he wants to go, and the other society is willing to take him.

6758. You would offer no objection?—No.

6759. But if, on the other hand, he was a healthy subject and had not received any benefit, and wanted to go, you would not be quite so willing to let him go?—I should say he is very unlikely to want to go.

6760. He might. If there was excessive sickness in your society and less in another, he might transfer to lessen his own responsibility?—We have not had many of these cases. I do not think they are in a position to know.

6761. (Mr. Wright.) You gave us some rather extraordinary figures with regard to the increased cost of sickness on the voluntary side?—Yes.

6762. In the scheme confirmed by the Chief Registrar under section 72 of the Act, did you give an option to all your members to reduce their contributions?—Yes, we did.

6763. In your outline of evidence you say that 96 per cent. of the voluntary members are continuing their contributions to the society for full benefits?—That is so.

6764. So that 4 per cent. only reduced their contributions in accordance with the scheme?—That is so.

6765. In your opinion, is the class of member who continued to pay the full contributions responsible for a large part of the excessive sickness cost?—I dare say he is.

6766. Have you anything to go upon?—No, except that, as I said at the beginning of my evidence, if a man is now insured for 11. a week, he can afford to stay at home away from work, when he is poorly, whereas he could not do so before.

6767. Do you know from investigation, whether it is the members who have continued to pay their full contributions and who receive double benefits, who are responsible to any great extent for the increased cost?—I have not those particulars.

6768. Can you tell us how many of the new members, who joined your society for State Insurance, are contributing for small additional sickness benefits?—I am afraid that I have not got those particulars.

6769. Do you pay the first three days' sickness benefit to all those who insured under these circumstances?—Yes.

6770. If they pay, for instance, for an extra 2s. a day, you would pay the full sickness benefit at the rate of 12s. a week for the first three days, and also cover the waiting period?—That is so.

6771. Can you tell us what proportion of those members have single sickness benefit?—No, I cannot. I cannot divide our experience between members who are insured for State benefits only, and those who are insured on both sides.

6772. You told us that in your opinion over-insurance was one cause of excessive sickness claims on your society?—I think it has a tendency to make men remain on the funds longer, but I do not see how you can prevent over-insurance.

6773. You have no remedy to suggest?—No, I do not think you can prevent it. If you said to a man who was State insured, that you would not allow him to take out additional insurance, he would go to another society. In my opinion, it is far better that a man should have double insurance in one society than that he should have double insurance through two societies. There is better supervision.

6774. Have you many members insured on the independent side who are State insured elsewhere?—It is difficult to say. There are about 10,000 of our ordinary members who are not State insured with us. It may be that they are exempt from insurance, and it may be that some of them have taken their State insurance elsewhere.

6775. You have no means of telling us?—No.

6776. With regard to medical treatment, did you provide medical treatment prior to the passing of the Act?—Yes.

6777. Was a doctor attached to each of your branches?—Yes.

6778. On what system was he paid?—The capitation system.

6779. What was the average amount of the charge?—About 4s. to 5s.

6780. Did it vary in different parts of the country?—Yes.

6781. Under the rules, was the doctor considered an officer of the society?—Yes.

6782. Was he in close touch with the secretary?—He was.

6783. You have told us that, in your opinion, the excessive sickness cost is due to some extent to the carelessness of the doctors?—Yes, we complain of the carelessness of the doctors.

6784. That is, in granting certificates for minor ailments?—Yes, and in granting certificates without having seen the member, ante-dating the certificates, and advising members to go away from home. We complain strongly about that. Patients go to see them, and they say, "You want to go to Blackpool for a week, or a fortnight. That will do you good."

6785. When they go away from home, do you insist upon their producing a medical certificate while they are away?—Yes, I have a case in point, where a man was advised to go away from home. That is the case of a man, who declared on the funds incapacitated from following his employment, and suffering from

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diarrhoea. He was recommended to go away. He sent a declaring-on note to the secretary at 12 noon. Between 3 and 4 o'clock on the same afternoon he inquired personally when he was to be allowed to go away. He was informed that he would not be allowed to go away for three weeks, and he declared off the funds the following morning.

6786. When you receive certificates in respect of members suffering from minor ailments, do you invariably pay sickness benefit on those certificates?—No.

6787. Do you in many cases disregard them?—We do.

6788. What happens when you disregard a certificate?—We do not pay the member. If he does not take any further action, there is an end to it.

6789. On your disregarding the certificate, do your officials interview the doctor?—Yes, they do in some cases.

6790. Have you received any reports from your secretaries as to how they are received by the doctors under these circumstances?—I have not had any complaint as to their having been received otherwise than courteously.

6791. Could you tell us, generally, what the doctor says, when he is told that the society is going to disregard the certificate he has given?—I do not think they are very much troubled about it. They say, "I have given the certificate; you can do what you like."

6792. You think that the doctor generally gives a certificate, and does not care what happens afterwards?—Not a bit.

6793. Have you had many workmen's compensation cases under section 11?—Yes, we have had a few.

6794. What have you done with those cases?—We provide preliminary legal advice to the branches from the head office. We have retained a firm of solicitors in Manchester to advise us on those cases.

6795. Have you fought any cases?—No, not yet. We have two or three pending now.

6796. Have you advanced sickness benefit in respect of any of these cases?—Yes, in several cases we have. The special attention of the branches has been called to section 11 of the Act, and they have been informed by circular that this legal advice is available.

6797. Going back to the medical question for a moment, in your opinion is the medical treatment given to insured persons generally satisfactory?—No, I think it is unsatisfactory.

6798. How do you account for that?—I do not think that the doctors devote sufficient time to them. In a good many cases, doctors have a very large number of patients, and it is practically going in at one door, and out at the other. They have no time to diagnose the cases.

6799. Is that merely an impression, or is it a deliberate conviction founded upon reports which you have received from your branch officials?—It is founded upon reports from the branch officials.

6800. What, in your opinion, would be a preferable system?—I think the only solution of the medical benefit question is a full-time salaried medical service. I do not say a State medical service; preferably it should be locally controlled.

6801. Under the control of the insurance committee?—Yes.

6802. And appointed by the insurance committee?—Yes.

6803. Not by the Commissioners?—No.

6804. (*Mr. Davies.*) You state in the first part of the outline of your evidence that, in your opinion, the chief cause of the excessive claims is the compulsory insurance. Can you elucidate that, and give us reasons why that should obtain?—Yes. There is a tendency on the part of a man, who has the money compulsorily stopped out of his wages, to get a little of his own back.

6805. You state that the reason is the compulsory insurance of persons with a low standard of living, and of poor health who were not formerly insured. Have you been able to analyse your sickness claims to see if it is the low-standard paid individuals, who have been

making these excessive claims?—Yes, I think that the figures I have put in pretty well prove that. In Hanley, wages are very low. I should like to read a report from the secretary of our Hanley district, a man who has worked in the Potteries himself, and who knows the people. The attention of the secretary of our Hanley district was called to the excessive claims they were making on the sickness benefit funds, and he wrote a letter as follows: "With reference to minor ailments, I may say that many of our highly-esteemed brethren, sound, earnest, and hard-working, who have (previous to the Insurance Act) gone to work and scarcely troubled the treasurer, have taken advantage of the ease with which they can obtain a doctor's certificate, and have received pay which previously they did not trouble about. To obtain a certificate of incapacity is now, to my mind, the easiest thing in the world. Why? The same answer, I believe, has been given many times, but as you will know, it is the local officials (myself and others similarly fixed) who get it first hand from the doctors. The medical men are dependent on the person who places himself on his list. They (the doctors) say (it has been said to myself), 'It is our bread and butter; if we refuse to grant a certificate, well, they will not come on my panel next year.' Somehow the Government, although smart in some things, seem to the ordinary friendly society man dull on this particular point, and it is they this time who want simple language. They should not have allowed free choice of doctors, but have given the society the right to choose them. We should not, in my humble opinion, have required medical referees, as the doctor could say, without fear of losing his livelihood, 'You are fit to go to work, and your case will be reported to your society that payment must be stopped.' Perhaps you may think this rather strong, but you can rest assured it is not strong enough. I am speaking what I feel and know to be true. Then again you ask me, 'Are the sickness claims due to approximation of benefits from all sources to earnings?' My answer is decidedly yes. I will quote one instance which was reported of a certain member of ours, by profession a platelayer (well, you have an idea that their wages are not much above 18s., or I believe the maximum will not be above 17. 1s.), being a member of the works club, a Druid, and insured under the National Insurance Act. He has been in receipt of about 28s. 6d. per week." I am afraid a man like that is not very ready to go back to work again. The report goes on: "Another case is of a young fellow, apprentice hairdresser, whose weekly wage would not be above 7s., who is insured on the Order side for 10s., and is entitled to 6s. under the National Insurance Act." He is drawing 16s. a week as against 7s. when at work. The secretary goes on to speak about women members. He speaks about the Commissioners, and alludes to them as the "big guns." He says: "They have never even thought of the wages of women. Perhaps you may differ, but I maintain their knowledge must have been very slight. I have had 25 years' experience, mostly with the weaker sex." This man has worked in the Potteries among the women workers. He says, "I will give you an example of what I mean by wages. In the Pottery district a very large per cent. of females average less than 12s. per week; certainly in exceptional cases good wages are given, although nowadays such cases are rare. Picture to yourself a woman with only one child, wages 12s., nursing to pay 3s. 6d., balance 8s. 6d., washing 1s. 6d., balance 7s. The extra cost of taking out food, husband to take out his food, perhaps if she was at home he could go to it, and the cost of one world, maybe, suffice for two, and there are other little inconveniences which entail expense, with the addition of all the housework to be done at night. Now this same person, by going to a sympathetic doctor with some imaginary complaint, can receive 7s. 6d., no nursing, does her own washing, prepares her husband's meals, and very economical too, and in many instances manages to do all her housework. These cases are legion. We have had several cases

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"of malingering, but perhaps I tire you, and the "above explanation will suffice." That is a letter from a man who has worked in the Potteries, who is now our secretary, and who knows our people.

6806. The cases you have given are, first, with regard to an ordinary platelayer, who are found throughout the country, and not especially in that district, and the second case was that of a hairdresser?—Yes.

6807. Was not the chief complaint with regard to women?—Yes.

6808. For the moment, I was not thinking of women. Your statement was that compulsory insurance might be divided into two parts. Do you say it applies to men or women?—To both.

6809. In a larger or smaller degree with regard to men?—A fairly large degree.

6810. In regard to the cases you have cited to us, can you tell us what number of cases have been brought about by the number of low wage-earners?—I am afraid I cannot.

6811. So that it is a general statement, rather than the absolute fact of what it has cost as between low wage-earners and high wage-earners?—My evidence would not have been ready for six months if I had attempted to work out all the details about these matters, and the rate of wages of members.

6812. I mean that you only state your opinion that it is the low standard of living, and the poor health of persons who were not formerly insured, or, if so, could not afford to pay up for sickness. On what did you base that opinion?—On a general experience.

6813. Not from the absolute payments of your own society?—No, not altogether from our own payments, but from reports I have received. I think it is pretty obvious that a man with a poor standard of living, that is, a man with low wages, is not able to buy proper food for himself or his wife. He lives in unhealthy surroundings and earns poor wages, and is, therefore, more likely to be on the sick fund than a man who earns good wages, and who lives in good surroundings.

6814. I think that that is generally accepted. I was trying to find out on what you based your opinion?—I think that I said that it is among the low paid workers in Leeds, and in the Potteries that the greatest sickness is experienced. That is obtained from reports from those two branches.

6815. You say that the health of the working population, as a result of the National Insurance Act, is now receiving better care and attention. Does that apply more particularly to men or women?—To both.

6816. In what degree?—That is rather an awkward question. I think that when people have an opportunity of getting medical benefit, treatment and medicine, without having to pay for it, they are likely to avail themselves of that opportunity, whereas previously they went struggling on, without going to the doctor.

6817. In what proportion does it apply, particularly with regard to men, because insurance of women did not exist previous to the Act coming into operation. Is this throwing men upon the funds to a larger degree than women, or women to a larger degree than the men?—I would not like to say that. A large number of men were previously insured in the friendly societies, and had facilities for obtaining medical treatment, while very few of the women were insured. I think that necessarily very many women of this country are now receiving medical treatment, which possibly they ought to have had years ago.

6818. Do you say that this increase arises from the fact that their health demanded it before the Act came into operation, and that it is now simply justifying the Act?—Yes, I do.

6819. You say that 96 per cent. of your voluntary members have continued their contributions?—Yes.

6820. As to the heavy record of sickness you have given to us, can you tell us what proportion of these 96 per cent. have come on sick?—No.

6821. Does it arise from the old, or from the new members?—I could not say.

6822. Take the case where a member is not disposed to resume work when the society official suggests that

he is fit for it, did that happen on the voluntary side before the Act came into operation?—It always happened to a certain extent, but not to such a degree as it does now. When the doctor was an officer of the society, and his attention was called to it, he was more likely to carry out the requests of the society than he is now, when the society has no control over him.

6823. You think the present arrangement with regard to doctors leads to members remaining on the funds very much longer than they did previously?—No, I do not think that I have said that.

6824. I asked if it happened on the voluntary side previous to the Act coming into operation, and you said that to an extent it did, but not to such a degree as it does now; therefore it must be the rearrangement as to the doctors, which has led to this particular thing?—Not necessarily. I think I have said from the beginning that now the members are insured for a larger amount during sickness, a man has a better opportunity of looking after his health. That applies to both men and women.

6825. To what extent have certificates been granted without the doctor having seen the member?—I have given you one case.

6826. But from your general experience, can you give us any proportion at all?—No, I cannot give you any definite figures.

6827. Would it be 50 or 100?—I would not guess at it.

6828. How many cases have arisen to give you the idea of stating that by giving offence to patients, the doctors would lose their private practice?—Several branches have reported to us that that is the reason the doctors are giving certificates.

6829. That is rather an important statement, because it is the key to the whole situation of the relation of the medical profession to the society?—These are the facts reported to me. This is one of the explanations why the doctors give certificates so freely.

6830. Does that happen to any great extent?—Yes, I could not tell you to what extent it prevails, but it does prevail up and down the country.

6831. You said that you did not think that the doctors differentiate sufficiently between total incapacity for work and incapacity for certain kinds of work. Is that your own opinion, or the opinion of the society?—It is the opinion of the branches, of whom inquiries have been made, as to the cause of these excessive sickness claims.

6832. You naturally meet many officials of other friendly societies?—Yes.

6833. Should I be justified in asking whether that is the opinion of the officers of other societies, as well as yourself?—I would not like to say that. I can only speak for my own society.

6834. You say that there is very little difficulty in people obtaining certificates from the doctors?—Very little.

6835. Can you say whether the doctors look upon the Insurance Act as having been brought into existence for the benefit of the people's health, as against their duty to consider the funds of the society?—I should have no hesitation in saying that I think a doctor is quite right in taking up the attitude that the health of the patient must be his first consideration.

6836. Do you say that, while the societies complain that their funds have been depleted to the extent that has been shown, the doctors are justified in ignoring them, and in simply attending to the health of the people?—I think it is undoubtedly the doctor's first duty to attend to the health of the people, but I think he can attend to the health of his patients, without giving them certificates in all cases to obtain sickness benefit from the society.

6837. You think that it would help the societies if it were made plainer to the doctor, that it is not necessary in every case where they administer medicine or give a prescription for them to put a member on the funds of the society?—I think it ought to be brought particularly to their notice.

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6838. Do you think that that would help to reduce excessive sickness claims?—I think it would.

6839. Why do you think that the capitation system of payment offers greater safeguards to approved societies than the attendance system?—I think it is fairly obvious that where a doctor is paid according to the number of attendances, after he makes them, he is less inclined to get the member better quickly, and send him back to work.

6840. Although you have said it is the doctor's first duty to attend to the health of the people?—Yes. I said it was his first duty to attend to the health of the people; he could do that without certifying a man to be incapacitated from work.

6841. You think that that might be done by limiting the money he is to receive, and bringing his work within the capacity of the money that is paid to him?—Yes. I think it is only human on the part of a doctor where his money is derived wholly from insured patients, or pretty nearly so. After all, he has to make a living. If he is paid on the number of visits he makes, the temptations are somewhat greater than under the other system.

6842. If, on the other hand, he had a capitation fee, it would not be to his advantage, being human, to put in so many visits even if the person was not well?—Probably not.

6843. You say that the rules relating to behaviour during sickness are but lightly observed by new members. Can you give us any indication of what that means?—They take very little notice of the rules of conduct with regard to the hours they keep, and the fact that they should not go away from home.

6844. Do you desire to convey the impression that they have violated the rules by being out after hours?—Yes, I do. They are not accustomed to friendly society discipline like the old members. They know that they are insured in a certain society. They are given a copy of the rules, but do not trouble to read them, and, therefore, do not know what the rules are, and it very often has to be brought to their notice, that they are violating the rules.

6845. When they are out after hours, do you take any action?—The action varies; sometimes we suspend a man, and sometimes stop a day's benefit, or something of that kind.

6846. You look upon the matter of being from home outside the prescribed hours as important?—Yes, we do. We look upon anything which a man does to retard his recovery as important.

6847. That is what you mean when you say that the rules have been lightly observed?—Yes.

6848. You state that the previous medical test did not offer much protection to the society's funds. Can you help us to understand that better?—It is rather difficult to explain. Prior to the National Insurance Act, all friendly societies, in spite of a medical test, admitted persons to membership who were undoubtedly not good lives, although passed by the doctor as good lives.

6849. Do you now insist upon medical examination of people joining your voluntary side?—No.

6850. In no case?—Only in special cases.

6851. Whether for 2s. or 10s.?—Only in special cases where we have reason to believe that a man is not a good life.

6852. You have done away entirely with the medical test?—Yes.

6853. With regard to claims for pregnancy, you say they tend to increase?—Yes.

6854. Is that for pregnancy pure and simple, or payments for other causes?—Payments on certificates given for pregnancy.

6855. That is really for sickness, such as debility?—No, I think the only complaint they are suffering from—if it is a complaint—is pregnancy. That is the certificate they are given.

6856. A certificate simply for pregnancy?—Yes.

6857. Do you pay sickness benefit on those?—Yes.

6858. If the certificate said nothing else but pregnancy, would you pay?—Yes.

6859. That has led to what you consider an increase in the sickness rate?—Yes.

6860. Has that been your practice throughout under the National Insurance Act?—Yes.

6861. With regard to cases of that sort, if the member were found doing housework, what would be your action?—We should stop the benefit.

6862. Any kind of housework?—Yes.

6863. Such as cleaning floors, or cooking?—I cannot speak as to how the branch secretaries would differentiate, but I think, generally speaking, if the members were known to be doing housework, when in receipt of sickness benefit, their benefit would be stopped.

6864. Will you tell us what you mean by limiting the period during which no sickness money should be paid in respect of these cases?—I do not think that sickness benefit should be paid on a certificate certifying a woman to be suffering only from pregnancy, until, say, four weeks before the date of the confinement.

6865. Would you be surprised to learn that societies were already doing that without requiring a new law?—I do not know what other societies are doing. If they are doing it, I should say it is not in strict accordance with the Act.

6866. You hold that the Act means, that if a woman is certified as pregnant, and that alone, it does not matter if there is any complication, and that you are compelled to pay sickness benefit on that certificate?—That is my impression.

6867. That is one of the things you would like to see altered?—Yes.

6868. You say there is a larger number of claims now made on your voluntary funds?—Yes.

6869. You do not think that that increase is solely due to over-insurance?—No.

6870. If the funds are now being more largely depleted than they were before, what is the cause, if it is not over-insurance?—I think I stated earlier that it is because a man is now able to stay at home if he is genuinely ill, whereas previously, they could not afford to do it.

6871. You mean that previously they did not obtain all the benefits to which they were entitled?—Yes.

6872. Owing to shortage of funds due to poor wages?—That is so.

6873. You suggest prohibiting doctors from post-dating or ante-dating certificates, but I understood you to say that this difficulty has now disappeared?—I do not think I said that.

6874. You said that you had now no difficulties with doctors, since the new certificates came into existence, because the certificate sets out "I have this day seen —" ?—I said that there is evidence of considerable slackness in granting certificates for minor ailments, in granting certificates without having seen the member, and in the ante-dating of certificates, and in advising members to go away from home.

6875. I understood you to mean that that was prior to the new conditions coming into existence, and that the fact of the new certificate setting out the date on which the doctors have seen the patients does away with post-dating and ante-dating?—It does not. I have given you some cases this morning in which doctors are still continuing to ante-date and post-date them. What I said was that there is very little difficulty in ascertaining the nature of the illness from the doctor.

6876. That is the difficulty that has disappeared?—Yes.

6877. You still hold that there should be some instruction to the doctors, that they have no right to post-date or ante-date certificates?—Yes, I think that that is a very necessary instruction.

6878. With regard to declaring on certificates, you suggest that they should be put into the hands of the societies within 24 hours. Do you regard that as of great importance?—Yes, I regard that as of great importance. Unless you obtain the certificate, you have no opportunity of visiting the member and supervising the claim. The man may be at home a week, or even a fortnight, before we get the certificate. Our old practice was that the sickness benefit only commenced from the day the certificate was received.

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6879. You think that that would help to bring them under proper supervision?—I do.

6880. And you press it, because it would reduce excessive claims?—I think it is a very important point.

6881. In the districts of which you have given comparisons, has some care been exercised in connection with the claims?—Yes.

6882. The people who have charge of this business are capable?—Yes, I have given particulars of 11 branches and, with one exception, each branch has a whole-time secretary, and a staff of assistants.

6883. Do you think a good deal depends upon the efficient management of affairs in each district?—I do undoubtedly.

6884. Otherwise the data might be multiplied by carelessness?—Quite so. In every case where the excessive cost exists, they have very capable men, and I believe the business is very well managed.

6885. As to transfers, was your society one of those who agreed with the Commissioners, that they would accept transfers from other societies freely, up to the fourth quarter?—We were a party to Memorandum 119, if that is what you are referring to.

6886. It would not be fair to say that your society refused transfers under the arrangement of the Commissioners?—No, we did not.

6887. You only refused when a specific reason which you regard as insufficient is set out, and each case is tested on its merits?—With most societies we have a mutual arrangement that if they accept transfers from us, we do from them.

6888. (*Dr. Fulton.*) You spoke about the sickness among miners, but you have no definite details to give us. Had you the same difficulty under the old order of things with the lodges in miners' districts? Had they heavy claims?—Yes.

6889. From your experience, were you able to draw any deduction as to the nature of the illnesses which put miners on your sick fund?—Accidents chiefly, under the old order of things.

6890. That has now passed away?—Yes.

6891. You still find the experience keeping up?—Yes.

6892. In view of the fact that the Midland miners have a very low rate of death due to phthisis, how do you account for the heavy sickness claims?—The miners' occupation is a very heavy one, and a man does not go to work unless he feels up to concert pitch.

6893. That brings us up against the difference of being incapable of work, and being incapable of following their usual employment?—Yes.

6894. You see the difficulties of insisting upon a too rigid interpretation in that regard?—I do.

6895. With regard to the rules of conduct, are they less strict than they were in your old lodges?—No, with the exception of what I said with regard to the date on which the certificate shall be surrendered.

6896. What was the rule under the old regime?—That sickness benefit only commenced from the date of sickness on the declaring-on note.

6897. You always found that a good rule?—Yes.

6898. What you would like is that benefit should be made payable three days after receipt, under the State section?—Yes.

6899. About the organisation of your order, is it all divided into districts?—Yes.

6900. Are the funds in each district entirely independent of the funds in the other districts?—Yes.

6901. If one district got into difficulties, would the order come to their relief?—Do you mean on the private side?

6902. Yes?—We have no relief fund in connection with the order.

6903. You have always allowed your members to make their medical attendance optional?—I do not think I said that. A man is bound to contribute for medical benefit, but he need not necessarily avail himself of the lodge doctor's certificate; he can go to another doctor.

6904. The money was paid always?—Yes.

6905. The lodge doctor was paid the money for that man?—Yes.

6906. You have a large number of railwaymen in your order?—Yes, I should say we have.

6907. They, in nearly every case, have a railway doctor to look after them?—Yes.

6908. To whom they were bound to contribute?—Yes.

6909. The same would hold good of colliers?—Yes.

6910. So you were in the habit of receiving a large number of certificates, and paying on them, from doctors not attached to your order in any shape whatever?—Yes, I dare say we were.

6911. You must have been?—We always had the safeguard that we could insist upon a man being examined by the lodge doctor.

6912. The doctor was appointed by persons taking an interest in the funds of the society?—Yes.

6913. So long as the member was resident in the same district?—Yes.

6914. If he were living in another district, that district had no concern with him so far as the funds were concerned?—Oh, yes, we have rules to the effect that a man living away from his own branch, may receive sickness benefit from the nearest branch.

6915. But they are not administering their own funds?—Well, they are part and parcel of the society.

6916. But it would make no difference to them individually whether the funds in the other district were in a good or bad condition?—They are all branches of the same society. I would not for a moment say that another branch would be absolutely indifferent to a man drawing benefits, because the money was not coming out of their particular branch.

6917. I did not suggest that, but that they would have no strict financial interest?—That is so.

6918. You said that in the old days, if a complaint was made to you about a doctor giving certificates which you thought should not be given, you would interview him and report to the lodge?—Yes.

6919. If the doctor said the case was genuine, were you satisfied?—Yes, as a rule.

6920. What happened if a doctor reported a member for breaking the rules?—We should stop his benefit.

6921. How would that be done?—By the society—the branch.

6922. Would a meeting be called to consider the case?—In all probability the secretary would stop the money, if he were satisfied that the man was breaking the rules. He would then report the facts to the next meeting of either the committee or the lodge.

6923. Would the committee have power to decide the matter without referring it to a meeting of the lodge?—Yes.

6924. In all cases?—Yes, but the man has always the right of appeal to the meeting against the decision of the committee.

6925. An appeal to the lodge?—Yes.

6926. In your experience, when the matter came before the lodge, was the doctor always upheld, or did the aggrieved member rally his particular friends to his support?—In some cases he did, but generally speaking, very great respect was paid to the doctor's decision.

6927. Have you ever known a case where it was not?—I cannot call one to mind at this moment.

6928. You would not say that it never happened?—No.

6929. Or that it did not happen pretty often?—I said that I could not call one case to mind.

6930. It was not an unusual experience for the lodge to support the accused member?—My experience has been the other way about, that if the doctor reported a man for misconduct, or for not obeying his instructions, the doctor would undoubtedly be supported.

6931. You say in your outline of evidence that, as a result of the National Insurance Act, the health of the working population is now receiving better care and attention. Is that your reasoned statement?—Yes.

6932. You also state that the medical treatment is not satisfactory?—I say it might be more satisfactory.

6933. You think it is more satisfactory than it was before?—Yes, I do. What I mean is that many more of the working population are able to get medical treatment, but whether that treatment is as satisfactory

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as it might be is another question. They are undoubtedly getting some treatment; therefore, I think they must be the better for it.

6934. You suggest that a good deal of the treatment consists of going in at one door of the surgery and out of the other. Does that mean that the doctors have got more work to do than they had previously, or was it always so in the treatment of the members of your order?—No. I think the doctors have considerably more work to do now than they had.

6935. Has the number of doctors increased?—I am unable to say.

6936. With regard to the signing of certificates, you complain of certificates being signed by assistants or dispensers. Did that never happen under the old régime?—I suppose it did sometimes, but, generally speaking, the lodge required the doctor to give his personal attention.

6937. To the signing of certificates?—Yes.

6938. Did your lodges ever furnish their lodge doctor with forms of certificate at the bottom of which his name was printed?—No.

6939. Are you sure?—I have no knowledge of it. I have no personal knowledge that a branch ever did such a thing. If they did, they were doing something that was absolutely wrong.

6940. It was contrary to your rules?—Yes.

6941. You said that you had never known of an instance in which a certificate had been refused. You quoted a letter in which a gentleman said that certificates were being given in all cases. You really do not suggest that certificates are never refused?—I do not think I have said that certificates are never refused. I read a letter from one of our branches suggesting it, but I have not said so. I have classified these particulars obtained from all our branches, and disregarded what I thought was not reliable. I have no doubt whatever that in some cases the doctors do say, "You are not entitled to a certificate, and must go to work."

6942. You do not suggest that the certificates are given in all cases?—No.

6943. Have you any idea of the relative proportion of your members applying to the doctors for medical relief, to those who apply for relief and get certificates in addition?—I have not.

6944-5. You had no previous experience of that?—No.

6946. Would you be surprised if you were told that out of every three persons who go to consult a doctor, only two get a sick certificate?—Yes, I should be very much surprised to hear that.

6947. You think that it would be 90 per cent.?—Yes, I should say so. One can only guess when you put figures like that to me. I have not the particulars.

6948. (Dr. Pearce.) Your main complaint with regard to the medical profession is on the question of certificates?—Yes.

6949. Take the signing of certificates in the first place; do you know instances in which doctors have given them without seeing the person?—No, I have not many cases.

6950. Have you any idea how many?—No, I could not say how many.

6951. You gave us three cases in which the certificate was received by you on a given date, and the doctor had dated the certificate a week previously?—Yes.

6952. Do you suggest that the doctor ante-dated those certificates?—Yes, he did. I have satisfied myself on that point. I wrote to the secretary, asking him to verify that the members had not the certificates in their pockets, and that the delay was not the member's fault. He made inquiries, and informed me that it was not so, and that the certificates had been ante-dated.

6953. Were you also satisfied that the person was not ill on the date, when the certificate was dated?—That I could not say.

6954. You realise that a doctor may ante-date a certificate in good faith, and that the person may have been ill and unable to work at the time for which he dated the certificate?—He may have ante-dated it

in good faith, but we say he should not ante-date at all.

6955. As to continuing certificates, you gave us one case in which it was stated that the certificate was signed for eight weeks without the doctor seeing the patient at all. You have not investigated that case?—It is in the course of investigation now.

6956. Have you many cases in which you consider continuation certificates are given without the doctor seeing the insured person?—I have had reports from the branches complaining of that, but not giving any specific cases.

6957. You made rather a strong point of it. Have you many actual specific cases to state?—I daresay I could turn up a good many cases, but I have not brought them with me.

6958. Do you mean cases of the doctor not seeing the person at all, or not seeing the person on the date the certificate was signed?—I should say, chiefly, not seeing the patient on the day it was signed.

6959. Does your continuation certificate require to be signed on the same day of each week?—No.

6960. Most of them do. Would you take a certificate signed by me to-day, and another one signed on Friday week?—Yes, we should not object to that.

6961. You realise that that is exceptional?—I hardly think so. I believe our form of sickness certificate is almost the same as that of every other large society out of type.

6962. You do not require it to be signed at weekly intervals?—No, not on the particular day. We do require it to be signed once each week.

6963. Do you mean you would take it on Monday one week, and on Saturday the following week?—I dare say we should. We would take anything in reason. The rule says "weekly."

6964. With regard to cases of minor ailments, in which you say the secretary has struck insured persons off on his own responsibility, how many of those cases have occurred?—I could not give you the particulars.

6965. Are they many or few?—I should say they are a good many. I have three or four here.

6966. There are three or four of which you have knowledge?—Yes. There is one here of a doctor certifying a member suffering from headache, who has drawn seven weeks' pay. It was a woman, and she was suspended for a period of six months for being found in a club at 1.30 a.m.

6967. That was a suspension for breaking the rules?—Yes, for misconduct.

6968. Have you many cases in which the secretary has suspended for minor ailments, simply because he considers the ailment insufficient?—I have not got any more particulars here, but I know that that is the practice.

6969. It may be the practice, but I want to know if there are many cases in which it has been done?—I am unable to give you figures.

6970. You say that in your opinion the treatment of the insured persons is generally unsatisfactory, and you say that that opinion is founded on reports which you have received from branch officials. Can you say how many branch officials have reported to that effect?—No, I cannot say the number, but it would be a good number of them. I dare say 20 or 30 branches have written to that effect.

6971. To the effect that they consider that the treatment is unsatisfactory?—Yes.

6972. Out of how many branches?—150 branches, or, taking sub-branches, between 600 and 700.

6973-4. Then it is 20 or 30 out of the 600 or 700?—Yes. They do not all report their complaints. We may have some branches who, if they have a complaint, do not trouble to write about it.

6975. (Dr. Lawriston Shaw.) You tell us that on some of these continuing certificates the doctor actually states, "I have this day examined —," when, as a matter of fact, he has not seen him?—That is so in the case I gave. The certificate reads, "I hereby certify that so-and-so is, in my opinion, still 'incapable of work.' The column says, 'Signature of doctor and date.' The doctor's certificate is for

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four weeks, and it was signed for three weeks by a doctor who I believe is his assistant.

6976. That would be a different thing from saying that the patient is incapable of work, and stating that he had examined the patient when he had not examined the patient. It is possible the doctor may know that a patient is incapable of work without seeing him?—I do not think it is satisfactory. He should not give a certificate unless he has satisfied himself.

6977. When a doctor states he has seen a person, and has not seen the person, that is a very serious professional offence?—Yes.

6978. A professional offence for which the doctor may, as a matter of fact, be taken off the register of practitioners?—Yes.

6979. When you have known that a doctor has done it, have you brought the fact before anybody's attention?—In these cases, and in the case in the Macclesfield district, the facts have been reported to the insurance committee.

6980. Have they taken any action upon it?—I do not know.

6981. You told Mr. Wright that you were confident that a whole-time service would improve the conditions of treatment of the insured persons?—That is my opinion.

6982. Are you thinking of a whole-time service which would be applicable not only to the insured persons, but also to their dependants?—Yes.

6983. Whence would the money come to treat the dependants?—I have not thought of that.

6984. You do not imagine that it would be suitable to have a whole-time service for your insured persons, and require dependants to go to some other doctor?—No, I think the whole-time service should be applicable to the insured person and his dependants, and to the whole population, if they desire to avail themselves of it.

6985. You think that in that way the patients would receive greater attention from their medical attendants?—I do, and, going further than that, I think the general health of the people would be looked after better.

6986. Do you not think that a doctor is more likely to be careful and attentive to his duties if success in his practice leads to some addition to his remuneration, and that a doctor is more likely to perform his functions satisfactorily, if an increase in his practice leads to increased remuneration?—One would think he ought to be, but our experience during the last six months is not so.

6987. Is not your experience during the last six months that the doctor has not been successful in protecting the funds of your society?—Yes.

6988. You have no evidence that he has not been successful in curing your insured persons?—We have evidence that it has taken him a very long time to do it.

6989. That may perhaps have been the nature of the disease?—I have a case here of a woman who was on the funds for seven weeks for headache.

6990. Headache may be due to a serious disease?—Quite so.

6991. Your opinion is that whole-time service would certainly protect the funds of societies?—Yes.

6992. The funds of societies are really the funds of the insured persons?—That is so.

6993. Is there not a difference of interest between the body of the insured persons, and the individual insured person who is sick?—Yes.

6994. It might be to the interests of the whole body of insured persons that the person who is sick should die quickly?—I do not think so. I do not think that that is the way to look at it.

6995. Would it not be beneficial to the funds?—I do not think that we should look at it in that way at all.

6996. There is a difference of interest between the whole body of the people, and the individual insured person?—Yes.

6997. We want to find some means which will achieve the end of defending both interests?—Yes; I would like to say that it is not wholly a question of the society's funds. I am giving these particulars and figures to prove that, in my opinion, the estimate of

the actuaries as to the cost of sickness benefit was too low.

6998. We are on the question whether there is, as a matter of fact, an unnecessary amount of sickness benefit being paid?—There is an excessive amount of sickness benefit being paid, but I will not say that it is unnecessary, except in the special cases I have quoted. I began my evidence by saying that the bulk of the claims are perfectly legitimate.

6999. You have said that you expect the doctors to protect your funds?—Yes.

7000. But you also expect the doctors to have as their primary duty the interest of the insured persons?—That is so. I do not think that the one is incompatible with the other.

7001. (*Miss Macarthur*.) In what way are the interests of the individual member of the society opposed to the interests of the whole body of members?—I do not think that they are opposed.

7002. I understood you to agree with Dr. Shaw that they were?—Perhaps it was not a very wise answer, if I did say so. Perhaps I did not grasp clearly what the question was.

7003. Would you agree that the ultimate interest of the individual member is precisely identical with the interest of all members?—Quite so.

7004. I notice in your sickness statistics that among women you have the heaviest claims in the Potteries district. What occupation do these women follow?—They work in the Potteries.

7005. Can you tell us if you have any cases in the Potteries under section 11?—I could not say.

7006. You would expect some difficulty in administering the Insurance Act in that particular district?—Yes, in view of the low wages.

7007. And in view of the hazardous nature of the occupation?—Yes.

7008. Do you think that in some cases you may possibly be paying benefits which ought really to fall under the Workmen's Compensation Act?—I do not think so. The claims are pretty well scrutinised, but if the complaint on the certificate does lead the secretary to suspect that it is a case in which compensation would be payable, then, of course, it is very difficult. He takes the nature of the illness that is on the doctor's certificate.

7009. Do you think it is possible that some of the certificates given in the Potteries may deal with symptoms of a disease, whereas the disease, if it were properly diagnosed on the certificate, would be one for which the member could obtain compensation?—I cannot say. We have published to all the branches of our society the schedule of diseases under the Workmen's Compensation Act, so that a branch secretary is fully aware, if one of those diseases is on a certificate, that it is a case for compensation.

7010. You would agree that cases might come in, where you would pay benefit wrongly in those circumstances?—Yes, I can see that there might be such cases.

7011. Do you know what process your members are mainly engaged in?—No, I do not.

7012. You said that you would like to see the law, as you understood it, with regard to pregnancy cases altered?—Yes.

7013. Why would you like to see it altered?—Because I do not think it is illness in respect of which sickness benefit should be paid.

7014. Do you mind telling us why you did not think that sickness benefit should be paid?—I do not think pregnancy in itself incapacitates a woman from working.

7015. I suppose you would agree that from the point of view of her health, and the health of her child, it would be preferable that a woman should not work immediately before confinement, especially in such an industry as we have in the Potteries?—I say a month before. I should suggest that sickness benefit should commence at least a month before, or even six weeks.

7016-7. In this question are you not influenced by consideration of the funds of your society under the insurance scheme, and are you not ignoring the point of view of the woman and her child?—In this case I

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am speaking entirely from the point of view of the society's funds.

7018. It is because the money is not available?—That is so.

7019. That is your only reason?—Yes.

7020. If the money were available, you would agree that it would be desirable that women should not work immediately before confinement?—Yes.

7021. With regard to sickness benefit after confinement, have you any fixed period for which you pay, as a rule?—No.

7022. You pay because the illness of the woman is sufficient?—Yes.

7023. You are quite sure that all the branches do that?—Yes.

7024. I am not quite clear what your practice is about housework. Do I understand you to say that if a visitor finds a woman doing housework, you immediately stop her benefit?—I think it would be stopped.

7025. Your women are visited by a woman?—Yes.

7026. Have you made arrangements to have a separate valuation for women members?—No.

7027. The two funds are merged in your society?—Yes.

7028. Is your society in favour of medical referees? Not altogether. It is a qualified answer I should give to that. It is in favour of medical referees, if the cost of them is to be borne by the Government.

7029. That is, you would be in favour of them if the cost were borne by the Government, and they were responsible to the Government?—Yes.

7030. Would it make any difference to you, if they worked under the Commission or under the insurance committee?—I should prefer them to be under the insurance committee.

7031. Why would you prefer them to be under the committees?—Because of local control.

7032. You think that would be more effective?—Yes.

7033. Is that your only reason?—That is so.

7034. Has your society considered whether they have any views as to the class of man they would like appointed as referee?—No, we have not considered that.

7035. You have not considered the desirability, for instance, of having consultants and specialists?—No, we have not considered it.

7036. Your idea is simply to check your claims?—Yes. I have had in mind, from the beginning, the health of the working population. It is not purely a question of the funds of the society with us.

7037. Do you think that the referee might also be useful in giving additional advice and opinion?—Yes.

7038. In that case, would he not rather require to be a specialist?—Probably so.

7039. So that you would welcome that class of referee?—Yes, we should. The more highly qualified the doctor, the better we should be satisfied.

7040. (*Chairman.*) So long as you have somebody else to pay for him?—Yes, I am quite clear on that point.

7041. (*Miss Macarthur.*) You have not the money in your society?—No, we have not. We say we might just as well pay the money out in excessive sickness claims to the people, who subscribe it, as pay it to the doctors.

7042. (*Mr. Watson.*) Is it because you do not trust the doctors that you are so keen on having medical referees?—No.

7043. You want something more than the Act at present gives?—Yes.

7044. That is your only reason for wanting medical referees?—I think we should prefer the full-time medical service.

7045. You have given us some information as to the claims on your voluntary fund, and I think you said that in some cases the claims received were 25 per cent. above the corresponding period of last year, and in other cases showed an increase of 75 per cent.?—Yes, they vary from 25 to 75 per cent.

7046. Your claims as submitted to us this morning appear to show very serious excess over the provision made in the actuarial basis of the Act?—Yes.

7047. Before National Insurance was brought into being, what was the experience of your districts generally in regard to sickness?—It was increasing.

7048. But was it not shown by the Valuation Returns to be at that time very excessive?—I have no knowledge myself of what the Valuation Returns disclosed. I only took office in 1909, and the first valuation of the society since then is being carried out now, and is not yet completed.

7049. Would you mind me putting to you that the last Valuation Returns for Oswestry, Manchester, Leeds, and Birmingham, show that they are cases in which serious excessive sickness claims are general, and, although you have no personal knowledge, would you accept it from these official documents which I have here?—Yes.

7050. From your general knowledge, could you confirm that?—Yes, I should say that the society's sickness has been increasing during the last ten years.

7051. Even in the Oswestry district, where nearly all the members are agricultural labourers, the valuer reported a very serious sickness experience, and would you accept that as being characteristic of that particular district before the Insurance Act came into being?—Yes, if the actuary says so.

7052. Many of your members suffer under the disadvantage of receiving low wages?—Yes.

7053. Having regard to their low wages, and to the general prevalence of extremely heavy sickness on the voluntary side, why did the society not take advantage of section 72 of the Act, and produce a scheme under which the members could reduce their benefits on the voluntary side, and reduce their contributions to that side by 4d. per week?—I do not see very well how we could have insisted upon that. The scheme would have to be brought before each branch at a properly convened meeting of members, and a vote would have to be taken upon it.

7054. Was the danger of increasing benefits urged by the leaders of the society on the members?—No.

7055. It was left entirely to the members to decide whether they would reduce, or not?—Yes. We did urge that it was in the interests of the society, that as many members as possible should reduce their contributions.

7056. But in the result 96 per cent. of the members preferred to double their benefits?—That is so.

7057. That increase of benefits has been followed on the voluntary side immediately by a large increase in the claims?—It has.

7058. Do you not think that that points to malinger?—Not altogether.

7059. You suggest that people now absent themselves from work in order to get well, because they can better afford to do so than they could before?—I do.

7060. But if 10s., or whatever the benefit is, was not sufficient, up to 1912, why did members not pay more contributions and get bigger benefits? There was nothing to prevent them doing so?—I do not know why it was. Probably it did not enter their minds until the National Insurance scheme was put into operation. I think a good many people since then have thought about insurance matters, especially in regard to sickness, who never thought about it before. They thought, "If I am bound to be insured under the Act, and if I am insured for 10s., while I am about it, I might as well be insured for a little bit more."

7061. It never occurred to them before?—Not to a very large number of them.

7062. Is not the fact that immediately they doubled their insurance, the sickness, already excessive, rose tremendously, in your opinion, a very sinister fact?—It may look so, but I do not admit it is altogether caused by malingerers or over-insurance.

7063. (*Miss Wilson.*) I am not going to ask you any further questions about your particular experience of women's claims, because you have so few women in your branches that I do not think it worth while, but I want to ask you one or two questions about your practice on which I am not quite clear. As regards

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claims for pregnancy, do you pay in all cases without further inquiry?—Yes, in the case of married women.

7064. If the certificate said "pregnancy," you would not even inquire further at all?—No.

7065. In the case of unmarried women?—In the case of unmarried women certified to be suffering from pregnancy, we should not pay.

7066. You would pay in no cases at all?—No.

7067. Under what rule are you doing that?—On the ground that the illness has been brought on by the member's own misconduct.

7068. Do you refuse maternity claims for the same reason?—Oh, no, the Act provides for maternity claims being paid, I think.

7069. You say that you think pregnancy claims ought to be limited to perhaps a month or six weeks before the confinement?—Yes.

7070. You would wish to do that in all cases, even if the women were incapable of work, or suffering from some specific complication?—No, if she was certified to be suffering from something perhaps brought on by the pregnancy, we should not object to paying.

7071. Would you object to paying if she was incapable of work?—No.

7072. Even if there were no complication, if she were disabled, you would not object to paying?—Yes, we should, on the simple ground of pregnancy. We are paying the claims now, but we do not think we ought to pay them.

7073. You are paying the claims now, where they are disabled on account of pregnancy, as well as where there is a complication?—Yes.

7074. But you would like to feel that you were not obliged to do that up to six weeks or a month before the confinement?—That is so.

7075. Do you have many cases in which you are paying in the early months of pregnancy, and then the member comes off the funds?—We have had some cases.

7076. So that if the member has claimed in the third or fourth month it does not always mean that you have paid the whole time up to the confinement?—Not in all cases.

7077. As regards the sickness benefit of married women after confinement, how long have you usually paid?—We pay as long as the member is certified to be incapacitated.

7078. And have you taken a midwife's certificate as well as a doctor's?—No.

7079. In no case at all?—No, we do not pay sickness benefit on the certificate of a midwife.

7080. Or on any evidence other than the certificate of a doctor?—That is so.

7081. Have your members complained of having to pay for a doctor's certificate in those cases?—No, I have had no complaints.

7082. There would be cases in which they would have to pay for a doctor's certificate?—Yes, probably.

7083. Where they have been attended by a midwife?—Yes.

7084. You have no knowledge as to what the cost of that certificate would be?—No, I have not.

7085. Do you think it possible that it deters them from claiming for as long as they might do otherwise?—I do not know. No such case has been brought to my notice.

7086. And you cannot tell us what the average time is for which you have paid claims after confinement?—No, I cannot. Our practice is to pay as long as the woman is certified to be incapacitated from work.

7087. But you cannot tell us whether on the average that would be three weeks, or a month, or five weeks?—No, I cannot tell you that.

7088. (Dr. Smith Whitaker.) On the question of certificates, I understand that some of the cases of abuse of which you gave instances have been referred to the local insurance committees, and are now under investigation by them?—The three cases from Macclesfield, and the case from near Chorley in Lancashire.

7089. Those you mention were not the only cases which had come to your notice, but merely belonged to a group of which you had earlier examples?—That is

so. In the majority of cases where they have complained of the action of the doctors, I have advised the branch secretary to report the facts to the local insurance committee.

7090. That has been your practice for some time?—Yes.

7091. Have you heard any results of any of these representations?—I have not.

7092. But we may take it that, where your society has had complaints of this kind, not only quite recently but for some months, you have made a rule of referring them to the insurance committee?—Yes, I have given that advice to the branches for months past now.

7093. On the question of ante-dating certificates, I gathered from one of your replies that you recognise a certain relation between the question of the doctor possibly putting on the certificate a date a day or two earlier than that of the actual signature, and the question whether the society wanted the certificate brought up to a specific date?—Yes.

7094. I gather that in your case you recognise that there might be some difficulties for the doctors, if they had to examine upon the same day of the week all of their patients who were receiving sickness benefit, and sign all the certificates the same day?—We do not require that.

7095. You would feel that there was some difficulty in that?—Yes, certainly.

7096. And you prefer that the doctor should, in all cases, date the certificate from the day on which he examines the patient and gives the certificate. These three things should all be done on the same day, whatever day of the week it may be?—Yes, that is so.

7097. On the question of pregnancy, I notice that you consider that some alteration is desirable in the present provisions of the Act?—Yes.

7098. I gather that your view is that you should not have to pay sickness benefit in respect of pregnancy earlier than the last month of pregnancy. You feel that you should pay for the last month, but that you ought not to have to pay earlier than that?—We do.

7099. Would you say that, even though the insured person was incapacitated from work by the pregnancy in the earlier months?—I think it would be difficult to discriminate. If the woman is incapacitated from something brought on by pregnancy, and the doctor will state the specific nature of the complaint, I do not think we should object then. What we object to is paying on the simple certificate of pregnancy.

7100. Perhaps you would put it this way, that a very large number of women are in fact able to work to within the last month or two months—perhaps your view would be the last month—of pregnancy?—That is so. The last month or six weeks.

7101. And therefore if any individual woman is not able to work so late as other women, it shows there is something abnormal about that particular pregnancy?—Yes.

7102. And the doctor should not only certify the fact of pregnancy, but should certify as to the peculiarity of that particular case which distinguishes it from other cases, and makes that woman unfit for work, although other women at the same period would be fit to work?—That is exactly what we want.

7103. Then on the subject of the employment of medical referees there were two points I noted. The first was that you said you might as well pay excessive claims to the insured, as pay fees to medical referees?—Yes.

7104. That is assuming, of course, that the cost of the two would be equal?—Yes.

7105. Or that the cost of the excessive claims would not exceed the cost of the referees?—Yes, of course.

7106. If you had evidence that experience shows in other places that the employment of referees was believed to have the effect of a saving in claims of three or four times the cost of the referees, that might rather alter your views?—I have seen some of the particulars which have been published in the case of the Bristol Insurance Committee where they have a medical referee, but I am rather inclined to think that if medical referees became common, it would lead to

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a certain amount of looseness on the part of the doctors. They would not take that same care that they would, if there were no medical referees. They would think, "This case can be referred to the medical referee; I will give my certificate."

7107. I was going on the point of actual experience—not in Bristol only, but experience that perhaps you are not familiar with, in some German towns, where the experiment has been tried?—No, I am not familiar with that.

7108. Still, if you had the fact brought to your notice that it showed that there had been very large savings, which were ascribed by the societies themselves to the employment of referees, and the saying that they believed to be due to it was three or four times the cost of the medical referees, that would rather affect your judgment?—It would.

7109. With regard to the effect on the doctors, you fear that if referees were employed, it might reduce their sense of personal responsibility?—I think it might.

7110. Do you not think there is a possible compensating influence, that the doctor might not like to be frequently "caught out," and have it said that he was more often found to be in the wrong than other doctors, and that more of his cases were turned back by the referee than of other doctors?—Yes, you might look at it in that way.

7111. Suppose the society collected statistics on the certificates and found that whereas, of the cases reported unfit by Dr. Jones the referee confirmed his diagnosis in 70 per cent. of such cases, but that with Dr. Robinson the position was reversed, and only 30 per cent. of the cases were confirmed, would not that rather affect everyone's view of Dr. Robinson as a capable physician?—Undoubtedly it would.

7112. And would he not be rather afraid of that?—Probably.

7113. That might have some influence upon him?—Yes.

7114. When you speak of local control over referees, what exactly have you in mind? What kind of control do you want the referee to be under?—Control by the local insurance committee, and appointment by them.

7115. In what sense should they control him? Do you mean that they should dismiss him, if he does not do the work to their satisfaction?—One hardly likes to say that. By local control, I mean that he should be appointed by the local insurance committee, and should be paid by the local insurance committee, and that he should report to that committee.

7116. And that he should be liable to be dismissed by them?—Yes.

7117. On what grounds do you think they would want to dismiss the referee?—I am afraid I cannot anticipate.

7118. That is the essence of control, is it not—the power of dismissal—more than anything else? Do you mean they would want to influence his judgment, as a referee in a certain direction, and if he did not satisfy their views of what he ought to do, they should dismiss him?—No, I think they should only dismiss him for personal misconduct, or something like that.

7119. Do you think it is better that the power of dismissal for personal misconduct should rest with a local body, than with a central body which would be more capable of exercising such a power?—I think so.

7120. Do you attach any importance to what people call the independence of the referee?—I think he should be a non-panel doctor.

7121. A whole-time doctor giving his whole time to the work?—Yes.

7122. He should not have any of the influences of practice to bias him?—No.

7123. Then he would have to give his career to this work?—Yes.

7124. And as regards the efficiency of the men you have got, do you think it would influence their judgment in deciding whether to become referees or not, whether they were to have to look forward to their career being simply that of employment by a particular committee at a fixed salary, or whether they were in a

national service in which there were opportunities of promotion to other districts, if they did their work satisfactorily?—I should rather think there would be the same opportunities of promotion, even if they were engaged by the local committees. It is a question of going from a small town to a large town, in the same way as medical officers of health do now.

7125. You ascribe part of your difficulty to the increased work of the doctors, and to the fact that some of them perhaps have not time to attend properly to their patients; is that so?—Yes, it is.

7126. Does that apply to all the doctors, or only to some?—One cannot say it applies to all of them.

7127. Perhaps some of them have very large lists. Is that the case?—Yes.

7128. Why do these people have very large lists?—Probably the doctor is a popular man, he has probably been the doctor for several friendly societies, and the insured people put their names down on his list, because they have known him some time, and they induce their friends to go to him. Then he gets more than he can properly attend to.

7129. Do you think that that creates any dissatisfaction among the persons themselves, when they have to go through the surgery without proper examination?—I should say it does, and that there is a likelihood of their changing the doctor at the end of the medical year.

7130. So that if they are not satisfied that they are getting proper attention, that would tend to cure itself with time?—Probably so, if there are sufficient doctors.

7131. You mentioned also the hostility of the doctors in the early months of this year. I suppose that has rather prejudiced the working of the service—the frame of mind of some of the doctors?—I daresay it has, although it is dying down, and we have very little evidence of it now.

7132. Still it has been one of the factors that you have had to allow for, in looking back on the experience of the last nine months?—Undoubtedly.

7133. And then you have the fact that one insured person does not know what doctor another is going to, and they flock largely to particular doctors, and that also should be a temporary matter?—Yes.

7134. So that your evidence proves that the experience of the last nine months is an experience in which there are certain temporary elements?—That is so, necessarily.

7135. And possibly it might be well to wait for a little further experience before forming any very definite judgment?—I quite agree there.

7136. For example, as to any radical change in the system of administration?—Yes, and I think if this committee had been postponed for another twelve months, it would have been better. It is too early. We have not got over the novelty of the thing yet.

7137. Not only the doctors, but the insured and all concerned?—Quite so.

7138. When you spoke of the treatment being unsatisfactory, you were referring only to certificates, and to such points as you have been mentioning, that the doctors had not time to attend properly to their cases?—Yes.

7139. Although they were the same doctors who have attended the friendly societies in the past?—Yes.

7140. The doctors have not altered?—No.

7141. Possibly something in their frame of mind has altered?—Probably so.

7142. With regard to this full-time salaried service, that you think it might possibly be advisable to set up, I gather you think that that should provide for the whole population?—I do.

7143. The insured and their dependants, or possibly it should be open to every one to avail himself of the services of these doctors?—Open to anyone I think.

7144. Then I suppose the doctors employed would be practically the same doctors that you have now?—I suppose they would.

7145. Where are you going to get other doctors from, if you want doctors for the whole population?—You cannot manufacture them in a week or two, I know.

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7146. If you are going to have a service that covers the whole population, you would want a large number of doctors?—Yes.

7147. Then in what way do you think that would be more satisfactory, if you had just the same doctors as you have now?—I look upon it from this point of view. I think it is the duty of the local authority to keep the people in good health, if they can, rather than that they should let them get ill, and then try to cure them.

7148. You think that that would be more effectively secured, if you had doctors employed, giving their whole time to the service of the authority?—A full-time doctor with a certain area, to be made responsible for looking after the health of the people in that area and keeping them in good health.

7149. Would you give him a district?—Yes.

7150. And you would say that the people who live in that district must have that doctor and no other?—Unless they could show some good reasons why they should not have him.

7151. What do you regard as a good reason?—Perhaps a case where he had not been successful in alleviating the sufferings of the person. It is rather difficult to anticipate what would be good reasons.

7152. Suppose you had a town divided into districts with a doctor assigned to each district, and a woman moved from one side of the street to the other side of the street, and therefore passed from one district to another, would she have to change her doctor?—Probably arrangements could be made whereby she need not.

7153. I only wondered how far you had gone into some of the points?—I had not gone so far as to consider these questions. I had not thought the matter out fully.

7154. It is just the broad view that employment of this kind might conceivably be a little better than the present system?—Yes.

7155. (Chairman.) Is there anything you would like to add?—I have one or two cases where strict inquiry has been made into a claim for sickness benefit, and they have given notice to transfer straight away. We wrote to inquire why three persons had given notice of transfer from a particular branch, and the lodge secretary said the reason these transfers were asked for was that a woman, who was housekeeper to the other two, was on the funds for several weeks, and as it was thought to be a case of malingering, complaint was made to the doctor, who, after having heard what the secretary had to say, declared the woman off, and she did not like it. We have another case where a woman was reported by her brother for malingering. She had her benefit stopped, and the woman and her sister gave notice of transfer.

7156. I think we can take it generally that what

The witness withdrew.

Mr. J. A. JEFFERSON (*Actuary of the National Amalgamated Approved Society*) examined.

7167. (Chairman.) You are the actuary of the National Amalgamated Approved Society?—Yes.

7168. The National Amalgamated Approved Society is a society formed under the National Insurance Act by a number of companies and societies, who were carrying on insurance business before the passing of the Act?—Ten offices.

7169. Nine of those offices were limited companies, were they not?—Yes.

7170. One was a friendly society?—One was a mutual company.

7171. And one a friendly society?—Yes.

7172. All subject to the provisions of the Collecting Societies Act?—Yes.

7173. Can you tell me how many persons are insured for the purposes of the National Insurance Act in the National Amalgamated Approved Society?—In round figures 1,000,000 men and 600,000 women.

7174. Can you tell me how many of these are in England, as distinguished from Scotland, Ireland, and Wales?—England: males, 852,000; females, 530,000.

7175. Are they scattered generally all over the country?—Throughout the whole of England.

you say is that if societies are strict with their members they run the risk that the members want to go elsewhere?—That is so, and the competition is so keen between approved societies, that if a man says he wants to leave one society and join another, the other society says, "All right, come on." They do not inquire why the member wants to leave. If there were some restriction placed on these transfers, you would do away with a good deal of it.

7157. Do you not think that the other society has a strong motive of self-interest not to accept a member who wants to leave for these reasons?—That is not my experience.

7158. I am not asking if they think so, but whether in fact they have not a strong motive to restrict it?—Undoubtedly.

7159. Do you not think that, as they become more educated, and see what their best interest is, they will be rather shy of taking people who leave like that?—I hope so.

7160. Will not that produce its own equilibrium without people trying to put some restriction on transfers?—I do not know.

7161. Is there anything else you would like to add?—I have one or two cases here which I should like to put before the committee. This is a case where a woman was certified by a doctor to be incapacitated from following her employment. She is paid sickness benefit, and on 22nd September the doctor sends a note to the secretary of the branch as follows: "Mrs. ——— of ——— Street (Private and Confidential), Dear ———, strike this woman off." And the doctor signs his name. Acting on that report, the secretary stopped the woman's benefit.

7162. What was she certified as suffering from?—I have not the initial certificate. I have only the continuing certificate.

7163. What does that say?—It does not give it. The secretary stopped the woman's sickness benefit, and she came down and abused him for it, and he said, "It is no use your abusing me, you had better see the doctor." I think it was rather unwise of him to say that, but that is what he did. She went and saw the doctor, and promptly came back with another certificate declaring her to be incapacitated from work.

7164. What happened then?—They paid her for another week, and then stopped it.

7165. What does that go to prove, incapacity on the part of the woman, the doctor or the secretary?—I do not know, but the doctor is of opinion that she is able to work and tells the secretary so, and then alters his mind when the woman sees him.

7166. Even with the best intentions on the part of a secretary of a friendly society or a doctor, there must be persons who do foolish things?—Quite so.

7176. Are there any particular places where you are particularly strong?—In the large towns and industrial centres generally throughout England.

7177. Is there any particular occupation in which a large number of your members are engaged?—We have no reason to believe so.

7178. We may take the membership of the society as fairly typical of the industrial population?—That is so.

7179. I do not know how far you are speaking for yourself, and how far for the committee of management, but what is your view as regards the making of unjustifiable claims for sickness benefits on the funds of the society?—Unjustifiable claims are made. I say that from both points of view.

7180. What are the facts to which you attribute that? Firstly, what do you say about the general character of the membership so far as their understanding of the principle of insurance is concerned?—Our view is that there is a general misunderstanding of the fact that benefits are payable only when incapable of work, as in a large percentage of cases our sick visitors report that the member was found doing housework or gardening

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or some similar occupation, and there is no doubt whatever that in nearly all cases these persons consider that if they are unable to follow their usual occupation, whatever that may be, they are therefore entitled to come on the funds of the society, and further, that they are entitled to do a certain amount of work in and around the house. There is also no doubt that there is a widespread belief that the benefits come in some way from State funds, and it is quite certain that the members do not realise that they are damaging the prospects of their own society by drawing sick pay on the slightest provocation. It has also been found on an examination of certain applications for membership, that the most glaring misstatements have been made, and one of the most general replies to our demands for an explanation is that they thought they had got to be insured whether they wanted to or not, and therefore they did not think it was necessary to disclose the information asked for on the application form.

7181. Would you like to give us the figures of your experience up to now?—I cannot give any actual figures. I have certain figures where it has been possible to get them, but most of my evidence is obtained from my own experience at the office, and from having a sort of general supervision over the whole management of the office, and also by the fact that I am speaking now more especially of expulsions.

7182. You cannot tell us how your actual expenditure per member per week, for example, compares with what you expected to spend, or whether you are finding that it comes heavier in respect of men or women?—It is much heavier in respect of women than of men.

7183. Perhaps in the case of your society itself the particular misunderstandings which you have described might be expected to be found more than in the case of people who were previously insured for sickness benefit?—Certainly.

7184. Did any of your companies or societies carry on sickness benefit business before the Act?—In the old days practically every one of us at some time or another undertook sickness benefit insurance.

7185. But each of them had dropped doing it before the Act came into operation?—That is so, though each office has a few cases still existing.

7186. They are remanets?—My own office—the Britannic—has three.

7187. None of them were in 1911 actively carrying on the business of sickness benefit insurance?—No.

7188. They had all dropped it?—Yes.

7189. Having had an experience of it, and having found that they did not like it?—Yes.

7190. Really you had no reservoir of persons to draw upon, whom you were already acquainted with, and who were acquainted with the principle of sickness benefit insurance?—That is so.

7191. Do you think that many of your members are insured elsewhere for sickness benefit?—I could not say. Only a very few cases have actually come to light where we have found that a member is insured in some other society for sickness benefit.

7192. You cannot tell us anything about the effect of over-insurance, if there be over-insurance, on claims?—Not as speaking for the National Amalgamated.

7193. You cannot make any general statement about the kind of rate of wages your people are earning?—No.

7194. Your members are scattered generally all over the country?—Yes.

7195. Do you find, in fact, that where wages are low the claims tend to be higher?—We do, and I have evidence which proves it. On the question of misunderstanding of the principle of insurance, in a large number of cases our sick visitors have reported that where a member has lost his situation through sickness, he appears to be under the impression that he can remain on the funds of the society, until he has found another situation. There is, no doubt, a deplorable lack of knowledge of the conditions under which sickness benefit can be claimed, as in numerous cases where the full 26 weeks' benefit has been received, the members have written to us complaining very bitterly that benefit has ceased. On the question of over-insurance, the society has no evidence of its own which

bears upon this question, but it is well known amongst actuaries and others that the higher the rate of sickness benefit, the higher in proportion is the rate of sickness. The attention of the Committee might be usefully drawn to an illustration on this point given in a paper read by Mr. Watson before the Institute of Actuaries in 1910, in which he stated that on investigation he found that where the rate of benefit was 10s. per week, the actual sickness was 128 per cent. of the expected. Where the rate of benefit was 15s. per week the ratio was 184 per cent., and where the rate of benefit was 20s. per week, the ratio was 203 per cent. We also notice that the Scottish Commissioners made the following observation in a circular letter addressed to panel doctors: "Experience suggests that the insured person will be specially prone to doubt his fitness for work, if his sickness pay is equal to, or nearly approaching his average wage, either because he is a low wage earner, or because he is insured for sickness benefit in more than one society."

7196. It is rather your own experience that I want?—Those are my own personal views. With regard to low wages and the comparison between the rate of sickness benefit under the Act, and the rate of wages earned when at work, the society has no means at its disposal for ascertaining the rate of wages of its members, except in a very minor number of cases, such as workmen's compensation, and that is not of much value. But we have had the sickness experience for the quarter ending October 11th extracted for Belfast and the surrounding districts, where the wages of the female members are known to be low. I am dealing with females, and nearly all my remarks appertain to females more especially. Our view, generally, is that where wages are low, the claims are high.

7197. You have found that by the actual experience of your society?—Yes, and the best illustration to prove the point was Belfast. The next point is unwillingness to return to work when fit for it. Unwillingness to return to work when fit, falling short of deliberate fraud, is best illustrated by the following figures which have been taken out. A large number of declarations, several thousands, male and female, taking them in about equal numbers, have been carefully examined, with the following results. The declarations off dated Sunday, counting, of course, as the Saturday, were just over 3 per cent. of the total. The declarations dated for Monday were 17 per cent., Tuesday just over 10 per cent., Wednesday just under 10 per cent., Thursday 8 per cent., Friday 6 per cent., and Saturday 46 per cent. It will thus be seen that whereas the declarations off on Monday seem to be about correct, assuming that the declarations would be equally distributed throughout the week, against which assumption we see no objection, in actual practice the declarations off form a gradual descending ratio until Friday, and then on Saturday an altogether abnormal proportion of members declare off. As the result of the cases submitted to medical referees, we find that no less than 50 per cent. of the persons who submit themselves to medical examination are declared fit for work, and it is considered that the reluctance to declare off the fund causes a number of these persons to submit to examination in the hope that they will be passed as unfit rather than declare off the funds immediately. We might also point out that, as the result of investigation into a large number of declarations on the fund, we find the most favoured day is Monday, but the tendency for the declarations-on to be evenly distributed over the week more nearly approaches an even distribution than in the case of declarations-off.

7198. What have you to say about deliberate and conscious fraud?—The society has not had a large number of cases of deliberate and conscious fraud. The type of fraud most commonly found is where the member returns to work while in receipt of sick pay. I have one case I might draw the attention of the Committee to, where a member was on the funds for several weeks in Aberdeen. We received after some time a newspaper cutting showing that in the middle

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of the period, for which he was receiving benefit, he took part in a boxing contest, and knocked his man out in about the fifth round.

7199. What was he certified to be suffering from?—Probable pulmonary tuberculosis. There is of course to be borne in mind the wide field of malingering which might or might not be classed under the heading of a deliberate and conscious fraud. In the view of the society the whole of our remarks on this question referred more specifically to females than to males.

7200. Why do you think women are more apt to do these things than men?—Our experience goes to prove it.

7201. To what cause do you attribute the fact that you so find it?—One cause is that the rate of benefit more nearly approaches the wages.

7202. Have you investigated that fact?—No, we have not actually investigated it. We have not been able to.

7203. What do you say generally about the doctors' attitude?—The view of the society is that the attitude of the doctors towards the Act is in many cases one of carelessness and indifference.

7204. What do you mean by many cases?—There again I am up against that difficulty. I am giving my evidence from my own experience which probably amounts to fifty or a hundred or so cases. It is evidence supplied to me by the staff under my control at the office.

7205. You say that you have formed that opinion from the complaints that you have received from your people about the country?—Yes.

7206. You have formed your opinion that there are many from the volume of the complaints?—Yes. In some cases there was open hostility on the part of the doctors, but this spirit is very largely dying away. In only a few cases, which stand out very clearly, have doctors shown any desire to help the society in the suppression of unjust claims. I have made a point of conversing with doctors in several parts of the country, and they, one and all, state that their one difficulty is the fact that if they were to do their duty strictly, they would very soon lose all their patients. I have spoken to doctors in London, Birmingham, and the Midlands, and I have been about the country, and they one and all state that.

7207. What about the distinction by doctors between illnesses which incapacitate, and illnesses which do not incapacitate?—I do not know whether you would like any types of cases brought before you on any of these points.

7208. Cases are always interesting as illustrating what you have got to say, but we have to remember that we cannot test them, and that we have to take your cases on their face value as what you represent them to be. If you like to give instances of what you mean by all means do so, but we can only take them in that way.—The first case I have before me is one in which the member was arrested for the maintenance of his wife on July 15th, and he was sentenced to two months imprisonment on July 16th. The doctor on July 21st sent in a certificate that the man "is now able to follow his employment."

7209. Then he was on the funds before?—He had been on the funds, and his wife was presumably getting, or attempting to get the benefit. In the next case the doctor certified the member on July 18th as suffering from "debility following confinement." On August 22nd the sick visitor reported that "the member was confined on August 19th." On August 23rd, on our writing to the doctor, he states that he evidently must have mistaken her for some other person. There is one other case to which I will refer later on.

7210. I am afraid I do not quite understand. Do you understand it?—No, I am not attempting to understand it, but I have the doctor's letter here.

7211. Do you mind reading the doctor's letter? I am not contesting the statement, but there seems to be some confusion?—I am aware that two cases from the Amalgamated Society do not prove my statement.

7212. Your statement stands, and you are introducing these things as instances, but that does not prove your case against that doctor. I should really like to know

what he meant?—I will read his letter. "Dear Sir,—I beg to acknowledge the receipt of your letter of the 22nd inst. I am sorry that there has been a mistake in the certificate issued to . . . of . . . street, Staffordshire, No. . . , 18th July, 1913. At that time she was suffering from general debility, and the mention of confinement was an error on my part. I evidently must have mistaken her for some other person, as one can easily do when working these heavy panel practices as *locum tenens*. However, I hope this explanation will put the matter right." I see that we received one certificate stating that the doctor had seen the man and certified him to be ill, when as a matter of fact he died four days before the day on which he stated that he saw him.

7213. He died four days before the day on which the doctor stated that he saw him?—Yes.

7214. What did you do about that?—In bad cases we report them to the insurance committee, and we place the full facts before them.

7215. Did you report the particular case you have just now mentioned?—That I could not say without examining the papers.

7216. Have you got any satisfaction out of the committee, when you have reported those things to them?—I cannot say that we have got very much satisfaction.

7217. Do you go on until you get something, or what do you do?—At the moment we place the facts before the insurance committee concerned, and leave them to deal with them.

7218. Do you not take any steps to see that they do deal with them?—I cannot say that we do at the moment.

7219. There are a number of persons on every committee who are members, or who have been elected by the members of the National Amalgamated Approved Society?—Yes.

7220. So that to a certain extent you may be said to be represented on the committees?—Yes.

7221. Do not your members on the committees press these things?—I am not quite sure of my facts in this matter. I can only recall one case in which the action of the society has resulted in the doctor being struck off the panel.

7222. Not off the panel?—Yes, I understood so.

7223. Apart from the doctor being struck off the panel, do not these things come to be heard by anybody?—Yes, in this particular case the National Amalgamated Approved Society was not the only one to complain. We were only one of several who complained.

7224. If you have all these serious complaints against the doctors, there is a tribunal set up to assist the insurance committees, and you might press the committees, and make certain that they do reach that tribunal?—I cannot say. I could inquire and see how far exactly these cases are taken.

7225. Is it not worth doing?—Yes.

7226. Have you anything further to say about the question as to the extent to which sufficient attention is given to the distinction between illness which does, and illness which does not, incapacitate from work?—In a large number of cases we believe that certificates are granted mainly because the doctor is giving the person medical attendance for some minor ailment, and the question as to whether the man is incapacitated for work is not really investigated at all. The doctors do not seem to remember that their certificates of illness are the members' title to sickness benefit. Certificates are given week by week for minor ailments, and it is proved that the question of incapacity has not been properly considered, because in a very large percentage of the cases where we have communicated with the doctor, pointing out the fact of the minor ailment continuing for so long, the certificates have at once ceased. Our clerks, in the department which deals with the claims, pay special attention to these minor ailments and their duration.

7227—8. I was going to ask you about that?—That is what I had in mind when making that statement. We have investigated several thousands of first certificates, and find that complaints such as anemia, catarrh,

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debility, cold, chill, neuralgia, tonsillitis, and, excluding complaints such as influenza or rheumatism, account for over 25 per cent. of the total of cases investigated. On the question of any difficulties arising from reluctance to state the nature of the illness, I may say that this reluctance has now practically died out, but considerable difficulties were experienced at the outset. There is no doubt that this important change has been brought about by the action of the societies in refusing to pay benefit, and the strong support they received from the Commissioners on this point. The grave difficulties which confronted the society, when the nature of the illness was not stated, or was given in vague terms, were that they could not ascertain whether the member was entitled to compensation under the Compensation Act, or at common law, or was suffering from an illness due to misconduct, and they were also unable to discriminate between serious and minor ailments, and thereby had no control over the probable duration of the illness. It is to be feared that in too many cases the reluctance to state the illness was due more to slackness than to the desire that the patient should not know the cause of his incapacity, as in all cases where we pressed for the information, the same was at once furnished. In only one case where the nature of the case was not furnished, our own medical referee wrote to the doctor in question, and we found that the disease was hip disease. That is the only case in which, where we applied for it, the nature of the illness was refused. On the question of the influence of the different methods of payment for medical services, our opinion is that where the payment is per visit instead of per member it increases the duration of sickness, and increases thereby the cost of sickness.

7229. Are you speaking from a comparison of the Manchester and Salford figures with the rest of the figures, or is it just your impression?—I am speaking from a comparison of Manchester and Salford with Bolton. We took Bolton because we thought that that was more or less a similar town.

7230. What is the result?—The result is that the cost is Manchester in 5s. per member.

7231. Per member for what period?—For the quarter ending October 11th. The cost per member in Manchester and Salford was 5s., and in Bolton it was 5s. 5d. The cost per member sick was 2l. 11s. 4d. in Manchester, and in Bolton it was 2l. 2s. 9d. You will therefore see that although in Bolton we had heavier sickness, yet the duration of the illness was greater in Manchester than in Bolton.

7232. Have you compared it with any other town than Bolton?—No, we have not.

7233. Bolton is not a very happy comparison with Manchester, is it?—No, it is very difficult to compare any one town with any other.

7234. Bolton is strictly a manufacturing town?—Yes, it is confined mainly to mills, but there are large mills in and round Manchester and Salford.

7235. There is no weaving and spinning industry in Manchester, compared with the general mass of the industrial population?—But there is in Salford.

7236. You have taken Manchester and Salford together, but it is quite different from a weaving and spinning town like Bolton?—That may be so, but we took it because it was a similar kind of industry. Manchester is admittedly more connected with the business side of the cotton industry than with the productive side.

7237. And there is a good deal of engineering?—That is so.

7238. And a certain amount of dock labour?—Yes, on the canal I take it that there is.

7239. And warehouses?—Yes, that is so.

7240. I do not think that you will find much of that in Bolton. Will you give those figures again; they seem to be astonishing?

7241. (Mr. Wright.) What exactly does 5s. per member mean?—I am only dealing with duration. I am only trying to prove our view that whether the doctor is paid per visit or per member per annum does not affect the number of persons who declare on the funds, but only how long they stay on the funds when once they declare on.

7242. (Chairman.) I know, but I am somewhat puzzled at the actual figure you have given. Can you tell me what that 5s. represents? You say it is 5s. per member per quarter?—I should say that I am dealing with females. I ought to have made that clear.

7243. You realise what you are saying?—Quite.

7244. There are 13 weeks in a quarter, and 5s. divided by 13 gives us your experience per week?—Yes.

7245. Do you mind dividing 5s. by 13 and seeing the result. Is it not surprising?—It is 4½d. That is Manchester.

7246. Do you mind doing the same thing for Bolton?—That is 5d.

7247. That is for the quarter ending October 11th?—Yes.

7248. The last quarter of all?—Yes. Manchester and Salford, 5s., Bolton 5s. 4½d., not quite 5s. 5d.

7249. That brings you to the end of what you were saying about the doctor?—Yes.

7250. I want to ask you one thing on that. You used a somewhat curious expression. You said that the doctor did not realise that the sickness certificate was the member's title to sickness benefit. I should be very sorry to make any suggestion which would appear to make light of the doctor's responsibility, but do you really seriously put that before the Committee?—That is our view.

7251. May I read you your rule? You say "An insured person shall send notice of illness to the secretary of the society, or other duly authorised person, on the form to be provided, as soon as possible after the commencement of the illness, whether he is entitled to claim benefit in respect of the illness or not, and shall not be entitled to sickness benefit until he has sent to the secretary, or such duly authorised person as aforesaid, a declaration of incapacity for work in a form to be provided, and a medical certificate or other sufficient evidence of incapacity, and the cause thereof"?—Yes.

7252. Does the society act and pay on the view that a member coming forward with a sickness certificate from the doctor is entitled to sickness benefit?—Certainly not. I am sorry that my remarks misled you. We do not mean that it is his absolute title, and that he can come in, present a doctor's certificate, and say "I want my money." It is a big portion of his title.

7253. I agree, but may not trouble arise from the fact that societies or societies' officials may take it loosely, rather than strictly, as meaning what you said a few moments ago?—No, each case is carefully watched and investigated.

7254. That is from the point of view of your society, but what about the doctors? Do you not think that they get it into their heads that the certificate is a title to benefit?—We do not think that they do get it into their heads. We do not think that they realise that it is a big portion of the evidence which a man will produce to obtain sickness benefit.

7255. What do you mean by "refusing"? Do you mean that the doctor says, "I have given the member a certificate, and there is an end of it"?—We have some cases of doctors writing gravely objecting to our employing sickness visitors at all. They object to having laymen going round and criticising their work.

7256. Your society realises that the responsibility to pay or not to pay is on them?—Absolutely.

7257. And do your officials realise that?—Absolutely.

7258. Now I want to turn to the arrangements of your society. The society has its work done for it in the country by the officials of the 10 companies and societies which form it?—That is so.

7259. Under an omnibus agreement the society pays so much, and the officials of the companies do the work?—There is no agreement to pay any money to the companies, only an omnibus agreement that these men shall act for the society, and any money that they earn is paid to them by the society direct.

7260. Do you deal directly with them?—Yes.

7261. How, in fact, do you pay the people?—At the end of every quarter.

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7262. What do you pay them?—A fixed salary for doing a certain class of work, and so much per member for doing another class of work, and so much per dozen for writing out insurance papers.

7263. All charged directly to the management fund of the society?—Directly on the National Amalgamated Society's accounts.

7263a. With regard to the head office expenses, are they paid out of the National Amalgamated Society's accounts?—Absolutely.

7264. Has the National Amalgamated Society a separate office?—Absolutely.

7265. What happens when a member in the country falls sick, and wants to make his claim?—The first thing he would do would probably be to approach his agent. He is agent for the National Amalgamated Society, but he has probably been the agent of one of the companies for his life insurance for several years.

7266. Would you put it quite as high as that? Do you think that all your 1,600,000 members have got policies with one or other of the companies?—I should not like to say all, but a very large percentage have.

7267. And they have known the agent for some considerable time?—Yes.

7268. They take their form, the declaring-on note, and the certificate from the doctor to him?—Yes.

7269. Do they go to his office?—An agent has no office. Probably he has been calling round there, and the member presents this.

7270. Supposing I am insured with you, and I fall sick, what is my obvious and proper step to take?—You can either get into touch with your agent whom you know, you probably know his name, though you do not know the approved society he represents—or you have in your book a slip which tells you that you can apply at the nearest district office.

7271. That is the superintendent?—Yes.

7272. If the agent is in doubt the insured person can go to the district office?—Yes.

7273. Do they go in person or write?—That is very difficult to say; I should say that in a large number of cases a little boy or girl is sent.

7274. Carrying these documents?—Notifying the agent or the superintendent that the member is ill.

7275. After notifying that, what is the next step?—Then it is the duty of the agent to call, and give the sick member a declaring-on note.

7276. Until the agent does call he cannot declare on? He has not a form?—Unless the agent hands over the form to the messenger, or unless the sick member goes in person.

7277. Does the agent deal with the case himself, or does he pass it on?—He is instructed to examine as far as he can into the *bona fides* of the case, and then he sends it to the superintendent who admits the claim.

7278. The agent has no discretion himself?—In some cases where he is an outlying agent, some distance away from the superintendent, he would have.

7279. Apart from those exceptional cases, what is the common procedure?—The superintendent is the man who admits, and has to be responsible for the claim.

7280. How much authority has the superintendent got to admit or reject?—He has the authority to admit and pay all normal claims, and where he is satisfied, as far as he can tell, that the claim is a *bona fide* claim. All special claims, claims where he is not absolutely satisfied, have to be submitted direct to the registered office in the first place.

7281. What are the special cases?—Voluntary contributors, aliens, and so on.

7282. That is another thing altogether. Do you think it is necessary to have special arrangements for voluntary contributors?—Yes everything except the normal cases.

7283. In the case of the ordinary insured person, man or woman?—In any case where he is not absolutely satisfied that the claim is *bona fide*.

7284. Yes, what are your instructions? What is to put him on inquiry?—These are the instructions (produced) issued to superintendents.*

7285. Supposing the certificate comes along with a blank, I presume he does not pay on that? That is obviously deficient?—That is so.

7286. Supposing it has "debility," does he pay on that?—He would pay on that in the first instance.

7287. And query it when it was a continuation case?—If he did not, we should do so if it was of long duration.

7288. Supposing it was *anæmia*?—Exactly the same way. We do not discriminate. We do not tell them to discriminate between causes of incapacity. We do that ourselves by sick visitors almost entirely.

7289-90. Perhaps I might pass on to what the superintendent does next. He pays the claim himself, and passes it on to the central office?—As soon as he is notified that a member has claimed sickness benefit, he examines the case as far as he can. He either goes personally to see the case, or cross-examines the agent, and gets to know how the man looks, and if he is in bed. Then his next duty, after instructing and allowing the agent to pay, is to notify our sick visitor. When the agent has paid the money, and has returned the declaring-on note and the receipt, the superintendent has to forward to the registered office a weekly statement of claims, which is a very big sheet, one for males and one for females, on which he records full particulars of the claims. He includes the declaring-on notes, and the papers in connection with the claims on which he has paid.

7291. They go to the registered office?—Yes.

7292. What happens to them when they get into the head office?—The account side is first of all checked in order that a reimbursement cheque can be at once despatched to the superintendent.

7293. Has the superintendent the necessary knowledge to do the proper calculation? Has he got the contribution registers, and such like things, or how does he know that the member is in benefit?—From the insurance book.

7294. The insurance book is required on every payment?—No, once he is satisfied he has always the fact of the last week's payment before him. There are two copies, one a carbon. He has to retain one, and that gives him the evidence of the members on his fund. Once he admits a claim, he has to go on until the member declares off.

7295. Is the insurance book always sufficient to enable him to do that without reference to the head office?—If it is not, it becomes a special case. Special cases include accident cases—cases in which the superintendent believes that a man is suffering from the results of an accident. He has to submit them. He has to submit anything upon which he is not certain to the registered office for adjudication, and await instructions. The account is checked. Certain clerks see that they have all the receipts for all the payments, and they check the small balance-sheet at the bottom which the superintendent has to fill up, and, if it is in order, it then goes for the cheque to be written straight away. That is to reimburse the superintendent, and to keep him in sufficient funds to meet the claims. The National Amalgamated Society started each superintendent with a certain amount of cash in hand.

7296. Your cash?—Yes, the National Amalgamated Society's cash.

7297. It was advanced?—Yes, advanced by them.

7298. What happens next?—It goes through the claims department. We have 80 or 90 sections, and it goes through to the clerks there.

7299. What are the sections?—They are districts, business districts, of the different companies. We have to work the whole of our organisation in business districts, and a sectional clerk has charge of a certain number of districts.

7300. In those districts are all the companies mixed up together?—Yes, but they each retain their identity. The Britannic will have a district in Birmingham, or six or eight, and the Royal London will have six or eight, but the one man who deals with the Britannic will deal with all the districts. The sectional clerks carefully scrutinise each claim with the papers, and they watch all questions of minor ailments and the

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question of the rate as far as they can—this is the claims department—and then in any question of doubt they have the supervisor over them. Any questions that he cannot settle go to the head of the claims department, and any questions that the head of the claims department is not prepared to settle—questions of legality or malingerer or anything like that, go before a small claims sub-committee, consisting of our medical referee, myself, Mr. Laing, and one or two chief men in the office.

7301. And you settle them?—Yes, and deal with all the chief questions arising out of claims and so on.

7302. Does the agent, in the first place, or the superintendent, in the second place, put people off benefit on his own responsibility? I use deliberately a non-technical term. Does he prevent anyone getting benefit on his own responsibility? Does he ever say, "I do not believe that you are ill"?—I should say certainly in some cases.

7303. I suppose he might say: "I know you too well. I have had to do with you before"?—Yes, in some cases.

7304. That is either the agent, or the superintendent?—Not the agent. The agent could not, but he might report a member to the superintendent as a well-known character, and the superintendent might stop it, but he would report the matter to us with the next week's claims.

7305. Do you get many reports of that kind?—I could not say off-hand. In most cases the superintendent will communicate with the office before stopping benefit, and let the office take the initiative.

7306. Having struggled through all this chain, what is the class of case which reaches you, personally?—We deal with all cases of fraud.

7307. How many cases of fraud have you had?—Very few. Fifty or sixty.

7308. Allegations of fraud?—They are practically proved because the head of the claims department does not send them before the sub-committee unless he has got all documentary evidence.

7309. He has pretty well satisfied himself?—Yes, but he cannot take the responsibility.

7310. May I take it that in the 50 or 60 cases which came before the claims committee you were satisfied that the allegations were proved?—Certainly.

7311. What steps do you take in those cases?—We expel a member where fraud is proved.

7312. Is that course prescribed by your rules?—I believe so.

7313. Does he go to arbitration?—We deal with a member in exact accordance with our rules. We give him notice and an extract from the rules, and so on.

7314. You give him notice?—Yes, a fortnight. We carry out the rules absolutely, and in only a few cases has the member appealed to appear before arbitrators or before the committee, and in no case yet, so far as my recollection takes me—I am not always serving on this sub-committee—has any single decision of the claims sub-committee been upset.

7315. How many arbitrations do you have?—I could not say.

7316. What sort of arbitrators do you have? Who sit as arbitrators?—We have to appoint three laymen, I believe, in the district where the member resides, and he chooses one of them.

7317. What sort of people do you appoint?—Tradesmen as a rule not connected with the society. This work is left in the hands of our sickness inspector, who goes to the town and chooses out three well-known tradesmen, not connected with the National Amalgamated Society in any way, and the member himself chooses one of them.

7318. Do you pay them a fee?—The sickness inspector makes that arrangement with them. I believe it is 5s.

7319. Are these tradesmen persons who have any skill in holding this kind of inquiry?—I am afraid that I should have to admit in a large number of cases that they have not much. I am speaking more of what I should think, rather than of what I know.

7320. From that arbitration there has, so far as you know, been no appeal to the Commissioners?—None, so far as I know.

7321. Those cases are all cases of deliberate fraud, resulting in expulsion?—Yes.

7322. What sort of fraud? Fraud in first entering the society, or fraud committed on the society in claiming benefit?—There are all sorts of reasons in fraud. Some of the cases of fraud consist in forging doctors' certificates.

7323. Have you had cases of forged doctors' certificates?—Yes, we have.

7324. What have you done about them?—Prosecuted, and nothing practically was done.

7325. Did you get a conviction?—Yes. A man who had taken 3*l.* was fined 10*s.*

7326. Where was he tried?—In Lancashire, I believe, but I do not know exactly. We have brought several cases, and the results have not been satisfactory from the point of view of the management of the society.

7327. Forgery is an offence obviously serious, but short of forgery, what other sort of fraud have you had?—We have not had a large number of cases.

7328. Leaving fraud out, what other claims come before the committee?—Cases where there has been gross misrepresentation on the application form.

7329. How many of those cases have you had?—I cannot tell you how many. I know how many are reported each week. Covering all cases of expulsion, about six or eight each week.

7330. Six or eight cases of expulsion per week?—Yes. In every case in which we get the member to admit fraud or misstatement—it must be gross misstatement—then we expel the man. We have adopted the attitude of expulsion. We either expel a man, or say nothing to him.

7331. Those are all cases of fraud committed on the society in connection with the application?—Yes.

7332. I am much more concerned with fraud in claiming sickness benefit?—There are what we call crime cases, cases where a member has been convicted of some serious crime. We expel him on that ground.

7333. That is not fraud?—I am just trying to tell you the class of cases our expulsions are.

7334. What I want to get at is the sort of case that comes before your committee in connection with the administration of the sickness benefit?—I have just thought of one case of impersonation. A man impersonated his father. It was a curious case over in Ireland, but it is only an isolated thing.

7335. What about the cases where the rules are broken? I suppose you have rules requiring people to observe particular kinds of behaviour during sickness?—Yes, we issue a pamphlet setting out exactly all the rules governing conduct during sickness, but our attitude is to deal as leniently as we can with our members until we know that they do know the rules. That is the attitude we take up. We employ our sickness visitors to help us in that portion of the work.

7336. What are the sick visiting arrangements? Is the whole of the country divided up into districts for this purpose?—I cannot say that the whole of the country is, but we are increasing our staff week by week. The whole thing is being set up gradually. At present we have 1,200 sickness visitors.

7337. Male or female?—Male and female. I am afraid I cannot give you the proportion, but the major portion are part-time.

7338. How many are full-time?—300.

7339. And 900 part-time?—That is so.

7340. You cannot tell me in either case the proportion of women?—I am afraid I cannot.

7341. Can you tell me the sort of people the 300 full-time visitors are? Have you any trained nurses?—We have got all sorts of people. Of course, if a person who applied had had experience, he would have a very good chance of getting the position.

7342. Who selected them? It would be a serious undertaking to select 1,200 people?—A small sub-committee.

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[Continued.]

7343. Sitting in London?—In Euston Square. I am afraid I have not had any control over that whatever.

7344. Did they see all the 1,200 people?—No.

7345. Did they see all the 300?—The first thing to do was to appoint about 20 inspectors, good class men and good class women.

7346. Through the National Amalgamated Society?—Yes, what we call sickness inspectors.

7347. How many men, and how many women?—I think there are 18 of what we call men sickness inspectors. At the moment I am not certain of my figures, but I think there are eight or ten of what we call female supervisors.

7348. Are they the same as the sickness inspectors?—Yes, working really under the control of the sickness inspectors. The sickness inspector for the district in which the women sickness supervisor resides really controls her, and she in turn controls the female sickness visitors under her.

7349. Are these 18 included in the 1,200?—Yes, they are included. They are in different parts of the country.

7350. You have 18 districts, have you?—An inspector covers a large area.

7351. And they cover the whole of the country?—They do.

7352. Under them are the female supervisors and the rest of the sickness visitors?—Yes.

7353. Are they whole-time or part-time?—Whole-time.

7354. What were they before they were sickness inspectors?—I should say, as far as I can remember, that they were very often representatives of one of the allied offices as a superintendent, although in some cases a man who is now an inspector has been promoted from a sickness visitor.

7355. Do you mind telling me what sort of salaries you pay?—Which class of people?

7356. Beginning at the top with the sickness inspectors?—3*l.* or 4*l.* per week.

7357. And allowances for travelling?—Yes, I think that it is so much per day, 7*s.* or 8*s.* per day.

7358. With regard to the female supervisors, of whom you have eight, what sort of salary do you pay them?—They would get from 2*l.* to 2*l.* 10*s.* per week.

7359. What were they before you appointed them?—I am afraid I cannot say. There again nurses would have a better chance of obtaining the situation.

7360. Below them there are all these full-time and part-time sickness visitors?—Yes.

7361. What sort of wage does the full-time sickness visitor get?—The female sickness visitor in London gets 3*s.*, and in the provinces from 2*s.* to 3*s.* 6*d.*. You would probably find some female sickness visitors receiving only 1*s.*, but that is because they have only a very small area, and very few members in their districts.

7362. Why are some of them whole and some of them part-time visitors? Is it because there are some areas you cannot reach with the whole-time people?—No, the whole-time people are scattered round the large industrial centres. It would not pay to appoint a full-time visitor for a scattered area. The expenses would be too great, and the amount of work would not be sufficient.

7363. To whom are these people responsible—the sickness inspector? I thought you said that they were responsible to the superintendent?—In no way whatever to the superintendent.

7364. The superintendent gives them instructions to visit?—He gives them no instructions whatever. His duty, as soon as he knows a member is ill, is to notify the sickness visitor of the illness of the member. All he does is to send a postcard which is printed, giving the name, number, and address of the member and nothing else.

7365. He sends a notification on to the sickness visitor?—Yes, to the sickness visitor. He is supplied with stamped addressed postcards for the purpose.

7366. Is the idea that every sick member is to be visited once a week?—That is the ideal, but we have not attained it, and I do not suppose we ever shall.

7367. Are you working up to that?—I do not suppose we shall ever attain that ideal. The sickness visitor is instructed to use discrimination. Where he is suspicious, he will visit perhaps three times a week, but in the case of a broken leg he will not visit more than once in three weeks probably.

7368. You do not hope ever to reach that ideal?—No.

7369. What number of visitors do you require to cover adequately the whole of the country? How far do you regard this 1,200 which you have got as covering the whole ground, and how many more do you want?—The number of visits made average 22,000 per week.

7370. And how many people are there on sickness benefit?—Just about 42,000 or 43,000.

7371. Do you regard 1,200 as sufficient, or are you still adding to the number?—We are still adding to it.

7372. Up to what point do you mean to add to it?—Up to the point experience dictates. At present we are seriously considering some system to do away with part-time visitors.

7373. Are you aiming at any particular number?—Purely as experience dictates.

7374. Besides these sickness visitors, where there is a policy with one of the companies, an agent goes to the member every week? Does he do anything in the way of reporting?—That is so. He also helps through the superintendent.

7375. What does he report?—If a member is out, or breaking the rules.

7376. Is that his strict duty?—He is asked to help, but I do not know that you could say it is his absolutely strict duty to do so. He is instructed, and asked to help in suppressing malingering.

7377. He is not responsible to you, but to his own company?—He is responsible to the National Amalgamated Society.

7378. He is not dismissable by you?—No, but he is dismissable by us as a representative of the National Amalgamated Society.

7379. Do you not find that that creates some difficulty?—If the National Amalgamated Society had just cause to stop a man, the office would certainly take the matter up if the cause were sufficient.

7380. Because there are harmonious relations between the two, but I am dealing with it, not as it actually works, but with the theory of the thing?—Certainly.

7381. Whatever you found at first, you are now finding that you cannot depend upon the agent alone, but that you must set up this network of 1,200 people to do the sick visiting?—We set up the 1,200 people to help in the work.

7382. I want to know whether it is to help in the work other people are doing, or whether it is primarily to do the work with some assistance from other people. Which do you intend to lean on more in the future, the agent or the sickness visitor?—We have had this about nine months, and we are waiting for experience to see whether the sickness visitation is going to pay us, and whether it is worth while, or whether we should rely entirely upon our men and our organisation at the registered office, and I am not at present in a position to give any definite opinion. We are feeling our way. We are thinking of having what we call a flying squadron of sickness visitors, to go down into any district where we, at the registered office, find that there is heavy sickness, specially selected people to go into the whole matter, and ascertain the cause, whether it is due to malingering, or to the circumstances of the district.

7383. Are all the agents of the various companies men?—I should say that 999 out of every 1,000 are. There are a few women. I know that the Britannic have one or two women.

7384. They are very few?—Absolutely. As a rule it is the wife of an agent who has died, and who has asked to be allowed to continue the agency.

7385. Then there were no women really available for the purpose of visiting women?—No.

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[Continued.]

7386. So that you were obliged to set up some female sickness visitors?—Yes, and we have especially paid attention to female visitors.

7387. Of course, before the Act passed, the agents of your companies were, to a great extent, dependent for their incomes on whether they succeeded in becoming welcome in the houses visited?—Yes, do you realise the relations between an agent and his members?

7388. I do not know that I do, but I want to know what you say about it?—The agent is looked upon as a friend and counsellor in many families.

7389. Their friendship and counsellorship represented an income. Do you think that they were a little embarrassed after the passing of the Act?—I do not think so. I do not think it would fetter him in any way.

7390. If their bread and butter depends upon a particular course of action, there is a strong temptation to take that course of action?—Theoretically, yes.

7391. And still more if it is a question of abstaining rather than doing? After all, an agent has got to stir about to get policies, but with regard to malingering he has only got to hold his tongue? You do not find it; that is your answer?—That is my answer. We have no reason whatever to believe it. In fact, in our minds we believe the other way. The agent is helping us the other way.

7392. You find, for example, that they are reporting drunkenness if they find it—I mean in the case of persons in receipt of sickness benefit—or some flagrant breach of rules?—I do not say that every case is reported, but we are receiving reports.

7393. Many?—That I cannot say.

7394. Breaches of rule do come under their notice?—Breaches of rule chiefly through our sickness visitors.

7395. Do you think that is the sort of thing you ought not to put on to the agent, that it is too hard to expect him to do it?—To teach the member the rules?

7396. Yes?—Yes, we do.

7397. The agent must hear the gossip of the neighbourhood—that so and so has been to the picture palace?—I presume that that is so.

7398. You think that it is rather hard that he should have to tell about that?—I do not know that he would.

7399. It must be difficult. The Act requires that women should be visited by women?—Yes.

7400. Did you find that the agent was almost being forced into the position of visiting women? He visited the houses, did he not?—Yes, but I do not know whether he would think it necessary to see her.

7401. It is difficult to know what sick visiting means. Supposing he went to the house of a woman on benefit, and found her doing the washing, what would he do? Do you think that he would say: "I am a man; I must not see you"?—Certainly not. If he goes to pay the benefit, and the member is not so incapacitated but that she can do the washing or scrub the floors, he is there from the mere fact that he has gone to hand over the benefit, not to do the sick visitation.

7402. He would not say: "I am a man, and I must not see that sort of thing"?—No.

7403. Were you embarrassed by that, and thought you ought to set up female sickness visitors? I was wondering whether the fact that you had not any women agents did not place you at some disadvantage?—That is the reason why we devoted our attention mainly to the female side, because there are such a lot of illnesses where the woman is not washing at the tub, and where the agent cannot see her.

7404. Do your visitors find the door locked?—We have all sorts of funny reports.

7405. They report these things?—They have to report direct to the office.

7406. Do they have any sort of argument with the person first through the door?—I do not know.

7407. Do they point out to them that they are breaking the rules?—Certainly, they are instructed to point out that the member is doing this, that, and the other. We take no notice because we say that they do

not understand, and we wish our sickness visitors to educate the members as far as possible. Then if the member did it again, we should stop the benefit at once.

7408. They are used for the purpose of protecting the funds of the society?—Certainly.

7409. By causing people to get off the fund who ought not to be there?—Yes.

7410. And by causing the people who break the rules to be dealt with?—After due warning.

7411. Do you employ any medical referees?—Not of our own yet.

7412. You get a second medical opinion where you think it is necessary?—Where we are able to do so.

7413. That is not for the purpose of getting the members cured, but for the purpose of seeing whether they ought to be on the funds?—That is the real intention.

7414-5. How long have you done that—since the start?—No, we have only done that where medical referees have been set up—in Bristol and London principally.

7416. What does "the society's independent medical referees" mean, then?—We have practically got none at all. The only man we have got is our own medical man in London, who has been doing work for us in London.

7417. As a sort of medical adviser?—And acting as medical referee.

7418. He has been acting for you from the start?—Yes, although at present he is acting as medical referee to the London Insurance Committee.

7419. Is he a gentleman in private practice?—He is a specialist in Harley Street.

7420. Not on the panel?—No.

7421. What is he a specialist in?—He has magnificent degrees. I do not know more, although I know him personally, and meet him pretty often.

7422. Do you pay him a fee each time he examines somebody?—Yes.

7423. What fee?—I do not know. I do not think it has been settled.

7424. Who selects the cases that are sent to him? Do you know how many cases are sent?—No. I do not. I only know how many cases have been sent to the medical referees set up by the insurance committee.

7425. We should be greatly obliged if you could give us the figures of all the cases sent to the medical referees?—I have got them now.

7426. I thought you said that you did not know?—You said our own doctor. I do not know how many have been sent to him.

7427. This gentleman in London has acted all along for you, and he is now acting for you and the London Insurance Committee?—Yes.

7428. Then there is the gentleman, Dr. Rogers, at Bristol?—Yes.

7429. Have you consulted anyone else?—We have consulted medical men for the insurance companies.

7430. How many of them?—Very few.

7431. Are those included in the figures?—No.

7432. I suppose in those cases you pay a fee each time?—Yes.

7433. What do you pay?—I believe it is 10s. 6d.

7434. Perhaps you would also tell me to-morrow how many cases have been sent to them, and what the result was?—There are only an odd few. They will not be of any value.

7435. These people, I suppose, are in private practice in the country?—Yes, they are gentlemen who represent the offices, and examine cases for life insurance.

7436. People who represent the companies all over the country, and who are in private practice?—General practitioners as a rule.

7437. Not the sort of people who act for big London offices?—No.

7438. What has been the effect of employing a medical referee?—The practical effect of employing medical referees has been found to be so advantageous that the society at present is engaged in setting up a

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complete system of medical referees all over the country.

7439. What steps are you taking towards that?—We have circularised all our superintendents, and have asked them to submit to us the names of any doctors in their district who are not on the panel, doctors connected with the insurance offices who are acting as medical advisers to those offices. Those names are all being collated. It has been going on for several weeks, and there is a small sub-committee consisting of the Chairman of the society, Dr. Woodwark, our medical referee, and Dr. Langley-Brown, who held some high position in the medical world just recently.

7440. Those gentlemen will, in fact, be all persons in general practice?—Yes, they will, all of them.

7441. Will they be on the panel or off it?—We are asking in the first place for the names of doctors off the panel.

7442. How many people do you think there are who act for the various offices throughout the country? Have you any idea? It must be a great many?—It must be.

7443. Would you not expect to find most of them on the panel?—I am afraid we shall find that that is so.

7444. Practically all of them?—Oh, no, we have received quite a large number of names of men who are not.

7445. In industrial areas, south Lancashire, for example, practically everybody who does your business must be on the panel?—I cannot say. We have had several hundreds of names so far. I could tell you the number to-morrow.

7446. I think it would assist us. I was wondering what sort of assistance you could get. It seems to me you have eliminated all the people?—Admittedly, but at the first start we thought it wise to have a doctor not on the panel, and we are trying to do that. The first step is to find out who are available. If there are not enough off the panel, we shall then have recourse to the doctors on the panel. Up to the date of obtaining our figures, and I prepared this evidence some weeks ago, 620 cases had been submitted to medical referees.

7447. All on the motion of the society, or some of them on the motion of the member himself?—All by the society. They are cases where the sickness visitor is suspicious, or where the clerk in the claims department, or the supervisor thinks that it ought to be referred. Of these 620 cases, 220 declared off the funds without facing medical examination, leaving a balance of 400 cases submitted for medical examination. Of these, 194 were declared fit for work, and the remaining 206 were declared unfit for work, although in quite a large number of cases important information was gleaned, such as that the member would be fit to return to work in the course of one, two, or three weeks. It will therefore be seen that about 36 per cent. of the cases cited for examination immediately declared off.

7448. You do not infer from that that the whole of that 36 per cent. were necessarily people who were conscious that they could not stand medical examination?—No, I should not like to say that. You might be able to bring some cases of members who preferred to declare off, rather than face medical examination.

7449. Rather than go through all that sort of feeling people do have, who are going to undergo medical examination?—Yes, there might be some.

7450. You are not inclined to think that they are a large proportion?—No.

7451. That is only your opinion?—Yes. Of the remaining cases examined, 48 per cent. were declared off, and 52 per cent. declared unfit for work, or of the total number of cases cited for examination 69 per cent. were declared off, leaving a balance of only 31 per cent. remaining on the funds of the society. Those are the proportions, and they have, to my own knowledge, been very closely borne out by the experience of other large societies. They are also borne out by the results under the medical referee of the Bristol Insurance Committee. Apart from these actual results, societies consider that a great value can be attached to the moral effect of setting up a system of medical referees.

7452. I take it that in all these cases facilities have been given to the members to see the medical referees. They have not been required to travel ten miles?—Certainly not. There was only one case where the member complained, and we paid his expenses.

7453. You have a rule which enables you to pay the expenses?—It enables him to claim them.

7454. Have any of these examinations been made at the member's own house?—The member is first of all told to attend at the doctor's surgery. He is given a second opportunity to attend. Then, if he does not attend the second time, the doctor visits him at his own house.

7455. Those 620 cases represent your experience all over the country under three different systems?—The number of those cases is so small that they do not affect the figures. They may, or they may not, be included in the total of 620.

7456. That is your rule in any case?—Yes. Any reasonable travelling expenses incurred by the member attending for medical examination are paid from the management fund of the society.

7457. How many of the 620 cases are men, and how many women?—I am afraid I cannot tell you. I will try and find out before to-morrow.

7458. I wish you would, and also how many are men and how many are women of the 220, 194, and 206?—I will split them up in sections for to-morrow.

7459. I wonder if you could carry it a step further, and tell us, if you have any idea, from what disease the 194 people who were declared fit for work were said to be suffering?—I cannot say exactly, but I should say in all cases, or in nearly all the cases, they would be minor ailments, because the cases submitted were chosen by us at the office.

7460. "Minor ailments" is such a curious sort of expression that it may mean anything?—Cold, chill, catarrh, anæmia, neuralgia, debility, and so on.

7461. In these cases had any notice been given to the panel doctor of the intention to examine?—The panel doctor in every case is written to, so that he may, if he desires, attend at the examination.

7462. Is there any fee paid to him for attending?—I do not think so.

7463. Does he attend?—I do not think that he does as a rule.

7464. You do not know?—No, I do not know.

The witness withdrew.

TENTH DAY.

Thursday, 13th November 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT:

SIR CLAUD SCHUSTER (*Chairman*).

Mr. J. BURN.
Mr. WALTER DAVIES.
Dr. ADAM FULTON.
Miss M. H. FRANCES IVENS.
Miss MARY MACARTHUR.
Mr. WILLIAM MOSSES.

Dr. JAMES PEARSE.
Dr. LAURISTON SHAW.
Mr. A. W. WATSON.
Dr. J. SMITH WHITAKER.
Miss MONA WILSON.
Mr. WALTER P. WRIGHT.

Mr. ALEXANDER GRAY (*Secretary*).

Mr. J. A. JEFFERSON further examined.

7465. (*Chairman*.) I think that you are going to give some detailed figures which I asked for last night?—Yes.

7466. Have you got those figures?—I have. One of the points you raised was as to the sex of the sick visitors. Our spare-time visitors, that is, the 900, are to all intents and purposes equally divided between male and female. The full-time visitors, that is, the 300, are divided in the ratio of three females to two males. Then you wanted to know something of the class from which our female visitors were drawn. They have nearly all had nursing experience.

7467. As trained nurses?—Yes; in hospitals, I presume. The number of names received, so far, of the companies' medical referees who are not on the panel, is 496.

7468. Those are not necessarily people to whom anyone has been sent?—No. These are the names we have got on hand in preparation of the scheme foreshadowed of setting up a complete system of medical referees. We also received the names of 1,051 doctors from outside representatives, who were recommended to us as being good doctors, but they are not the companies' referees, but they also are not on the panel. We told our superintendents that where all the companies' referees in the district were on the panel, they should give us the name of a good one whom they could recommend, who was not on the panel. So we had 1,051 other names. We have thus a total of 1,547 doctors who are not on the panel.

7469. What about the sex of the insured people whom you sent to the referees?—I mentioned yesterday the number of 620 cases. We have now brought the figures up to date, and they come to 700.

7470. These are the people who were sent to medical referees?—Yes. That is, the medical referees appointed by the insurance committees. Males: 65 declared fit, 72 declared unfit, 57 declared off without submitting to examination. Females: 161 declared fit, 151 declared unfit, and 194 declared off without submitting themselves to examination. So the females preponderate to a very large extent.

7471. That is in London and Bristol?—Yes.

7472. What about the figures in respect of the people examined by your own medical referees?—The total is 194. Men: 18 declared fit, 32 declared unfit, and 9 declared off. Females: 40 declared fit, 69 declared unfit, and 26 declared off without submitting themselves to medical examination. The fees paid vary from 2s. 6d. to 10s. 6d. In very few cases was it 2s. 6d. In the major portion it was 7s. 6d. In all cases a doctor is chosen, who resides in a district where the member resides, so that the member has practically little trouble in getting to the doctor. Great care is always taken to see that that is done.

7473. Were there any other figures which I asked you for last night?—I have got the figures of the sex of those declared off by the sick visitors. Sixty per cent. are females, and 40 per cent. are males.

7474. In the case of those who were sent to the medical referee, was there any doubt as to the disease from which they were suffering?—I cannot say that, except that the head of the claims department confirms what I said yesterday, that in all these cases what we look to is minor complaints. That is why they are picked out, and chosen to be sent to the doctor. I think that a great many come under the heading of minor complaints.

7475. They have all arisen in respect of continuation certificates?—Yes.

7476. If a certificate comes forward in respect of a woman, which certifies that she is incapacitated from working by reason of pregnancy, what do you do?—Shortly, the attitude of the society is this. In pregnancy cases we do not consider that the mere fact of pregnancy constitutes a title to sickness benefit, but each case is specially investigated, and provided we are satisfied that the member is really incapable of work, we pay benefit whether she is incapable of work owing to her condition of pregnancy, or owing to some condition arising out of pregnancy, but the real outstanding fact we keep in mind is whether the member is capable of work or not.

7477. Is there anything you would like to add generally?—Yes. The first point I would like to mention is that for the bank holiday weeks at Easter and Whitsuntide and in August our sickness claims showed an extraordinary jump. For the week ending March 22nd, which was the week prior to the Easter bank holiday, we paid some 9,000l. to our sick male members. For the bank holiday week we paid over 10,000l. That was a jump in the one week of 1,000l. That is for males. In the week prior to the Whitsuntide bank holiday we again paid 9,000l., and for the bank holiday week we again paid 10,000l. That was another jump of 1,000l. There was no 10,000l. week in between those two points. The August bank holiday week for males showed a normal sickness payment. For females it showed a more or less normal payment. It was not a very big jump. For Easter bank holiday week there was a jump of 300l., and for Whitsuntide there was an 800l. jump.

7478. What were the figures for the two weeks?—Just over 7,000l. and it went up to just over 8,000l. The August bank holiday week was the heaviest week for claims for sickness for females that our society ever had since the commencement of benefit.

7479. What was the jump there?—Over the previous week, 300l., but the fact does remain that for the August bank holiday week we paid out more in actual cash than for many weeks previously.

7480. But you had been going up steadily?—No, we had been going down steadily for a few weeks previously.

7481. You went up after Whitsuntide?—No, we gradually decreased. In Whit week it was 8,500l., and then it came down gradually to 8,200l. Then it went up to 8,500l.

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7482. When?—For the week ending July 5th. Then it gradually came down again. It varied very considerably. There is no real curve at all, no real gradual descent. For the week ending August 2nd it was also 8,500*l.*, and for the week ending August 9th it reached 8,700*l.*, which was higher than we ever had to pay before.

7483. What has happened to it since?—It went down for the next two weeks slightly. Then it went up a few pounds. Then it has gone on increasing practically ever since. That is, we consider, the seasonal increase. From the end of August until December there is a gradual steady increase in the claims, owing to the season, and this continues right up to February.

7484. Has your membership kept quite steady all through the summer?—Practically, as far as we can see.

7485. But you have a steady rise in the case of women, quite apart from this holiday increase, all the way from Easter to August?—No. There is no real steady curve in the female as in the male group. The only point I wish to make is that the August bank holiday week is the highest point up to that time, and whereas you would expect that in the month of February the female claims would be very high, they were not so high as in the August bank holiday week. There is another point. We have about 40,000 to 42,000 claims per week to deal with, and of these about 1,000 are held over pending further inquiry. That is in addition to any question of de-larations-off sent in by the sickness visitors. These are where the sickness visitor or the superintendent raises some doubt as to the *bona fides* of the claim.

7486. What sort of doubt?—The sick visitor probably found the person doing work of some kind. That would mean holding over the claim to make further inquiries, and getting further special reports; or if the superintendent simply said he considered that the member was not altogether incapable of work, we should hold that over, and have a special report by a sick visitor.

7487. That refers to the 1,000 out of the 40,000?—Yes.

7488. Have you any idea how many of those result in people being put off the funds?—I could not say, but in each of those cases there is a special investigation. The sick visitor is written to direct, and asked to make a special investigation, and the points on which special investigation is wanted are put before him.

7489. You have not tabulated the results?—We have not. I think I mentioned yesterday that the nature of the illness is watched carefully all the way through from beginning to end, and that helps us in finding the probable duration of the sickness. On the question of sick visiting, it might be of interest to know that the visits paid in October for four weeks totalled 81,000, but they are gradually going up, as we increase our organisation, and we are doing now on an average about 22,000 a week. We were asked to make some reference to the question of inquiring as to health before admission to membership. The society considers that it would undoubtedly have been to its advantage, had it been possible, to have had a medical examination prior to admitting insured persons to membership. There were three great objections to this, the first being that it was quite impracticable owing to the enormous rush of members, the society having within the course of a few months to examine and deal with one and three-quarter million applications for membership. The second objection was the enormous cost of having a medical examination, and the third is the fact that the doctors would have been so flooded with examinations, that they would have been unable to cope with the work. The society did all in its power in selecting members, asking as many questions as to health as were practicable, and having the most careful scrutiny of those replies that was possible. Any bad lives that obtained admission to the society did so by not disclosing the full facts as to their health. The present practice of the society has been modified in the direction of greater stringency than was feasible at the commencement of the Act. As soon as the initial rush of applications for membership had been

dealt with, the society became more particular in asking for medical evidence in any doubtful case. As soon as possible the form of application for membership was modified, and several questions were added which practical experience had proved to be desirable.

7490. What questions were those?—One is, "Are you affected with any physical infirmity?" That was a new question. One question in our initial form was: "Have you any relative suffering from consumption, cancer, or any hereditary disease?" That was altered to include "consumption, cancer, fits, insanity, or any hereditary disease."

7491. Do the great mass of your members know what hereditary disease is?—That is a usual question to be asked.

7492. I did not say that it was not; but do you really think that they would know what it means?—Really, I could not say.

7493. What importance do you attach to the answer which you get to that question?—I have seen the question in a great many forms?—Family history does affect our view of the member's fitness or unfitness for insurance of any kind, because if the family history shows cases of these diseases, it seems to me that it shows that the applicant is predisposed to a similar kind of complaint.

7494. I was asking to what extent you thought that the sort of people who fill up the form were capable of applying their minds to answering that question?—That is shown by the fact that if we thought they understood the question, we would simply put the question, "Have you, or any of your family, suffered from any hereditary disease?" but we ask specially about consumption, cancer, fits, and insanity.

7495. How far is a domestic servant in a position to answer that question? I want to know what importance you attach to the answer to that question; do you ever get an affirmative answer?—Yes, but not in a large number of cases. It is a usual question.

7496. I have no objection to the question. I was asking how far these people answer that question, as to hereditary disease?—Probably not to a very large extent.

7497. I was also asking to what extent you rely on that answer, and to what extent you rely on the agent's knowledge of the family?—The agent had to submit a report with the application form, and the applications were adjudicated on according to the answers to the questions which the member gave, and also the agent's report.

7498. What sort of a report was it?—Question 1 is: "How long have you known applicant?" Question 2 is: "Do you consider applicant is of sober and temperate habits?" Question 3 is: "Are applicant's surroundings satisfactory?"

7499. What sort of answer do you get to that?—Various, yes and no.

7500. When you get no, what would you do?—We should decline the case.

7501. Do you mean that all your 1,600,000 members have surroundings which your agents consider satisfactory?—More or less. It is the agent's report as to the surroundings which you expect in industrial towns.

7502. That is the answer you get?—No. That is what we know is intended. We know that the agent does not mean that the applicant is living in the west end. The next question is: "Do you consider applicant is a good life, and in all respects a desirable member?" There was a large number of cases in which the applicant was declined on the ground of the agent's report.

7503. Did you take these lives as if they were proposals on your private side?—No, we looked at it from an entirely different point of view.

7504. Would you apply a much stricter standard to life cases?—To life assurance we would. We have a much more elaborate proposal form, for instance.

7505. What I meant was whether you looked at these applications more or less in the same frame of mind as that in which you would look at applications for life policies?—No, we did not.

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7506. What difference did you make? Did you apply a stricter or less strict standard, roughly speaking?—You look at life proposals from the point of view of how long a man is going to live. You look at proposals for sickness insurance from the point of view of how much the man is going to be sick, and you do not mind very much whether he is going to die.

7507-9. Take it the other way about. Suppose that these had been proposals for the purchase of annuities, would you attach importance to some of these answers with a view to making, possibly, more favourable terms than you would give to others?—In questions of purchasing annuities I do not think you bother much about the life.

7510. I will put it another way: did you think you were trying to get selected lives, having regard to all the lives there were, or did you think you should be satisfied if you got average lives, or that it did not matter what sort of lives you got, so long as they were not thoroughly bad?—We went out to get average lives.

7511. Did you have regard to the fact that the reserve values allotted are average reserve values?—They are based on an average.

7512. You took that into consideration?—If the application form, on the face of it, showed an average life, we accepted that case.

7513. To what extent did you go behind the application form to try to find out?—We had the agent's report.

7514. Was that the only thing you had?—No, he reported further wherever he was informed that there was something we wanted to know more about, if there was some illness or some question in connection with the family history; if, for instance, they made some remark about a relative having consumption.

7515. Did they do that?—Yes, in thousands of cases.

7516. What would you do if the sister of the applicant, say, were suffering from consumption?—Then we had our special report form which was sent to the superintendent, who had to investigate the case specially and report to us as to the life.

7517. What is the next point which you wish to bring to our notice?—In determining whether or not the society was experiencing an excessive rate of sickness, we based our expected sickness on the basis on which the Act itself is founded, and made what we considered suitable adjustments to allow for the incidence of sickness throughout the seasons of the year. We made no adjustment for one rather important fact, viz., that for several weeks following the commencement of benefits it was probable that a number of insured persons were sick, but were unable to claim benefits either because they had not been insured for the necessary 26 weeks, or had not paid 26 contributions. Of that special class no doubt a very large number of cases came on by paying up the contributions in order to bring them into benefit. This fact had to be ignored, as it was impossible to make anything like a useful estimate of its effect, but in spite of this fact, and also of the fact that we believed the basis of the Act, at any rate for females, to have been quite unsound, the excess sickness experienced by the society has exceeded the excess sickness we anticipated.

7518. What do you mean by excess sickness?—We anticipated, long before the benefits commenced, that, at any rate for females, the experience we should actually get would be very much heavier than that which the Government actuaries assumed we should get. We thought all along that the females would be a much heavier charge on the society than had been assumed by them, but they are a heavier charge even than we anticipated.

7519. What made you think that?—Our general knowledge.

7520. Of what? I mean your general knowledge is not the sort of thing on which you could base a statement like that. Was it on any experience of your own?—One fact was that there was no real experience of females.

7521. You have had a long experience of sickness benefit in the past?—No.

7522. I thought you told me yesterday that most of the companies had provided sickness benefit at one time or another?—I was speaking of prehistoric times. I was not speaking of the present generation of managers.

7523. Then on what is your present knowledge based?—The benefit is a very large proportion of the average wage of female workers, and we felt perfectly certain that there would be a much stronger inclination to remain on the funds of the society longer than they ought. One other point is that, of course, there are many illnesses incidental to the sex, and we believed that it would create a heavy charge.

7524. How did you compare those two elements that you have just now talked about with what the actuaries estimated for?—I am simply giving you what we really believed.

7525. What made you believe it?—All sorts of arguments, which by themselves would be small, but which, when added together, really brought us to that opinion.

7526. The first argument you put forward, that women's wages approximate very closely to sickness benefit and therefore they stop on, amounts to saying that you anticipated a great deal of malingering?—We anticipated that there would be some.

7527. You would hardly expect the actuaries to have taken malingering into account. I am not defending the actuaries' figures, but that is a matter for the society?—On the question of malingering, long before the benefits came into operation we began to set up our sick visiting system, so that as soon as the benefits commenced, we had a staff of sickness visitors to help us in that work.

7528. So that if your staff produced the results you hoped you would get, that particular risk would disappear?—Yes, but I do not think it possible for them absolutely to wipe it out. It is quite impossible in practice. The other point is that low wages not only induce malingering, but also cause sickness. Many women are not able to obtain proper nourishment, and so on. We believe that quite a percentage of the excess sickness can be accounted for by real genuine sickness, which in the past owing to the circumstances of the worker has had to be ignored. By this we mean that we are sure that whereas, prior to the Act, female members would in large numbers continue their employment when, as a matter of fact, they were not physically fit to do so, now that they can receive the benefit, which is quite a significant proportion of their wages, they declare on the fund, and prefer to lose the difference between their wages and their sickness benefit rather than go to work in a damaged state of health, and obtain a larger amount of cash. One other fact, however, which may account for the heavy sickness experience is that, so far as I can ascertain, we have experienced an extraordinarily heavy number of maternity claims.

7529. Is that maternity benefit?—Yes.

7530. That does not affect your sickness benefit claims?—It does. Up to the week ending October 11th we have paid over 86,000 maternity claims.

7531. Is that a larger proportion than ought to be paid actuarially?—Yes, I think so, and certainly it is a much heavier experience than that of other societies.

7532. Is it fortuitous?—That may be so, but we may have a larger proportion of married women than other societies, or than the average society would have, and I conceive that one reason for that is that we have such a large number of our members drawn from industrial centres. In those industrial centres it is our belief that the married women are very largely employed. So we believe in this way that we have got a large number of insured male members, and we also have on the other side the wives, who are also working in these industrial centres. Therefore, when we pay the man maternity benefit, the woman comes on the funds for sickness benefit.

7533. You mean that both man and wife are insured with you?—I believe that that is so to a very large extent.

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7534. Though you pay that large sum, it does not result in any improper drain on the funds of your society?—I think it would if we got more than our proportion.

7535. Do you not realise that you are getting a special reserve value for married women?—Certainly, but I do not know that we have got those married women. It might be.

7536. Either you have got them and you will get a special reserve value, or you have not got them and you do not want the special reserve value?—It is only, if we have got them, that it affects our sickness benefit. We have got the man, and he gets the maternity benefit, through the mere fact of being our member, but we believe that our sickness claims are heavily burdened because we have also got his wife, who is employed. We consider that the above three points, that is to say, the fact of our members being drawn largely from industrial centres, the heavy maternity claims which we have experienced, and the fact that we get real genuine sickness which used to be ignored in the olden days, do account for a certain amount of our excessive sickness. At the same time, we do think that the evidence contained in our replies to the previous questions goes to prove that there has been, and is, either conscious or unconscious malingering. We do not consider that the period since benefits became payable can be regarded as one during which sickness has been unduly heavy among the population; and believing, as we do, that unemployment tends to increase the rate of sickness, we are prevented from attributing any portion of our excessive sickness to that cause, as the trade of the country has been very prosperous during the past year, and the only strikes which have taken place have been purely local, which could hardly affect a society such as ours, whose members are drawn from all parts of the country. The suggestion that the novelty of insurance may have produced some effect possibly accounts for some portion of the excess, and it may be that the facilities offered for the treatment of disease have brought the various diseases so prominently before the insured population, that they have produced a mental effect, which in turn has had its effect on the rate of bodily sickness. We find that our excessive sickness is greatest in and around industrial centres, but it is yet too soon to offer an opinion as to the causes of this, and while it is possible that the conditions of life prevalent among the insured persons in those districts have a material bearing on the subject, we cannot at present measure the actual effect on the rate of sickness claims. As regards the age distribution of members, we have assumed, in calculating our expected rates, that the incidence of the age distribution of our members would follow that upon which the Act was based. It is our intention, at an early date, to ascertain exactly what the age distribution is, so that we may give due effect to it. After making all such theoretical allowances, there is no doubt, in our opinion, that much of the excessive sickness is due to a sort of unintentional malingering. In addition to the features already mentioned in our evidence, we find that the excessive sickness is much higher in the case of females than in that of males, and in our opinion this is largely due to the fact that the inducement to malingering is rendered stronger in the case of women than in that of males, because the rate of benefit receivable under the Act more closely approaches the amount which a woman can earn during work, than is the case with males. The women also remain on the funds for a much longer period than men, the average for the whole society being just under four weeks for males, and just over six weeks for females.

7537. I thought you wanted to say something about regulations; I do not know quite what your point was. What would you like to say on that point?—We have used the word regulations in our submitted evidence in its widest sense as including memoranda and official publications. The word regulations is misleading. We meant it in its widest sense. The first point to which I would like to draw attention is the question of Sunday being allowed as a waiting day, regardless of the fact that in the huge majority of

cases the member does not work on Sunday, and therefore he incurs no loss through incapacity for that day.

7538. Would you say that this is a thing which has a result in increasing the charges on your funds?—Certainly, we say that it has increased them. The second point is that the society has certainly been hit by the question of notice not having been properly settled. The Act is very indefinite on this point, and I suppose that the rules of all approved societies have had to be more or less indefinite in accordance with the Commissioners' views on this matter. We fought very strongly for some definite period to be given on this question of notice. Our rules say, "as soon as possible."

7539. You want a man to be required to give notice within a certain number of hours after he falls ill?—Not that, but within a certain number of days.

7540. You realise that that is an arguable question in law?—Yes. In very many cases there is considerable delay, and the society finds itself liable for benefit covering a period during which it had no notice, and could exercise no supervisory powers. It may be said that our rules state that notice must be given as soon as possible, but in actual practice it is very difficult to prove that there has been any deliberate attempt to withhold notice, especially as in all cases the member produces a medical certificate of incapacity. The third point is that we consider that the fact that the member has free choice of doctor, and is allowed to change the doctor, is detrimental.

7541. That is in the Act?—Yes, and it is bound consciously or unconsciously to deter the doctor in carrying out his duties under the Act with absolute impartiality. The fourth point is the very grave and difficult question of a definite interpretation of the word incapacity, and there is very little doubt that this word is interpreted in as many different ways as there are approved societies. Perhaps that is an exaggeration, but we believe that it is a most grave and difficult question for all approved societies. You asked me about some of the causes of illness that were sent to a medical referee, and I have here a bundle of them.

7542. Read out some?—The first case is sciatica, the second is influenza, then anæmia, quinsy, rheumatism, influenza, rheumatism, hæmorrhage, jaundice.

7543. Are these cases to which exception has been taken?—They are cases which we submitted to medical referees. Next are jaundice, rheumatism, neurasthenia. There would be some evidence other than the illness which would cause us to send the case to the referee. There is, in addition, probably a report from the superintendent, or agent, or sickness visitor, which caused us to do this. Then we have rheumatism, appendicitis, neuralgia, gastritis, dyspepsia, and so on.

7544. Is there anything in the papers to show what it was, that caused the cases to be sent to the medical referee? Obviously the disease stated in some of those cases is enough to send anybody off work?—I will pick up this case, rheumatism. The report of the medical referee was: "I have examined this woman to-day at 'my house. She has a small umbilical hernia for which she ought to wear a truss. She has had this rupture for several years. It does not prevent her from working. She is capable of work now, though 'I think the doctor was waiting to sign her off, until 'she had got her truss,' but the nature of the illness certified was rheumatism."

7545. What happened in that particular case?—All these cases are cases where the doctor declared the people fit to work.

7546. Did she get her truss and go back to work?—I could not tell you. This case of appendicitis is rather extraordinary. The sick visitor reported: "The 'above member, who has been on the funds since July '22nd'—this report is dated 29th October—'has had 'an operation, and after leaving hospital was sent to 'a convalescent home for three weeks. She has now 'been home for another three weeks, and is in my 'opinion quite recovered. She states, however, that 'Dr. — says she is to remain on for another five 'or six weeks.'" On receipt of that report from our woman sickness visitor we submitted the case to our medical referee, who stated: "She has quite recovered

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" from the operation for appendicitis, performed on August 14th—(nearly three months ago)—she is " in good health. All her organs are sound." In the neuralgia case, the doctor simply says that the person is capable of work. In the next case, rheumatism, the doctor states: " There is, at this date, no evidence of " rheumatism. Articular movement is good. He " admits to recovery and his intention to resume " work." In the dyspepsia case the sick visitor reports: " My firm opinion is that this is a case for the medical " referee, for out of four visits she was out three " times." Of course, our sick visitors vary the time of day of their visits. The doctor's report is: " Capable of " work. Unmarried. Six months pregnant."

7547. I think we see the sort of thing, which is all that is necessary?—I have given you this morning a certain number out of 700 cases which were declared fit by the medical referee, and the claims department has picked out a bundle of papers quite haphazard and sent them along, simply for your information.

7548. (*Miss Macarthur.*) In the case to which you have just referred, of the woman who was in need of a truss, I do not think trusses are included in the schedule to the Medical Benefit Regulations. Suppose this woman was still capable of work, and had no money to buy the truss, after receiving that report, what would you have done?—In a number of cases we have provided trusses. That is one of the class of cases of which I have spoken, which the claims department refers to the special claims sub-committee.

7549. You would provide the truss?—We should in all probability.

7550. And charge it to your sickness benefit?—Certainly.

7551. Have you provided it?—We have in certain cases, but I cannot say whether we did so in this case.

7552. Would you take steps to see that the woman was provided with a truss before you stop her benefit?—In cases like that I cannot say we should, where she was told to go off by the doctor, where the medical referee certified her as capable of work.

7553. Provided she had a truss?—I do not think that he said that. I think he said she was capable of work, but her own doctor certified her as suffering from rheumatism, pending her getting a truss. In several cases the doctor has written to us to say that a patient could go back to work, if we could supply a truss, and in almost every case we should supply it.

7554. You seem to be complaining rather bitterly about the sickness of your women members especially?—Yes.

7555. It would help me very much if you could show me what that sickness was. You have made several statements on the question of sickness in Manchester and Bolton for the last quarter. Then you gave us figures this morning which make out a rather different result. Could you not let us know what the experience has been for women?—For the quarter ending October 11th it was 3s. 10d. per member for the whole society.

7556. Is that sickness benefit only, or sickness and maternity benefits?—Sickness only.

7557. Is that more or less than the preceding quarter?—I could not say now.

7558. Would it be the average, or lower?—I should say it is about the average.

7559. That is much less than you quoted for Manchester and Bolton?—Certainly. Manchester and Bolton disturb the experience of the society. When I give the sickness experience for Manchester, it is for Manchester absolutely alone.

7560. That would make it over 3½d. a week?—Slightly over.

7561. Your experience is about 3½d. per week per woman, I think?—Yes, slightly below that, I think, on the average to date.

7562. But over 3d. ?—Yes.

7563. In your outline of evidence you say the society adheres very strictly to its rules as regards misconduct. Could you expand a little on that?—The very first case that came to the small sub-committee was a claim from a man, who wanted sickness benefit because he

hurt his arm by falling down a grating when drunk. He stated that himself. We refused to pay benefit.

7564. Are they all as frank as that?—No. That was the first case, peculiarly enough, that our sub-committee dealt with. All these cases are reported by the sickness visitor or the superintendent. As I stated yesterday, if a member will deliberately continue to break rules governing sickness, and it is brought to our attention, for the first misdemeanour we should not, if it was a small matter, stop payment of benefit, but our sickness visitors educate the members as to the rules, and if a sickness visitor has to report again that a member has broken the rules, we should stop benefit.

7565. That is more for breach of rules. I thought this referred to illness which arose out of misconduct?—Wherever misconduct is proved, we do not pay.

7566. In the case of a single woman who is pregnant do you pay?—We pay. We do not consider that misconduct, but pregnancy does not in our view constitute a definite claim for sickness benefit. But if a single woman is pregnant, and we are satisfied that she is incapable of work, we pay her the benefit.

7567. (*Chairman.*) You do not differentiate between single and married women?—No.

7568. (*Miss Macarthur.*) I rather gather that you are not easy to satisfy as far as incapacity goes?—We try to hold the scales quite impartially, and to judge each case on its merits.

7569. You say that the society has to be satisfied that the member is actually incapacitated from work of all kind, before benefit is paid?—That means any real strenuous work. Every pregnancy case is very carefully scrutinised. We mean by that, that if our sickness visitor reports that she found the woman dusting, we should not stop benefit, but if the sickness visitor reports that the woman is doing the washing or scrubbing floors, we should stop it.

7570. Have you stopped benefit in cases where pregnancy, or complications of pregnancy, were certified on the ground that the woman was doing housework?—Housework of that character, yes.

7571. In these cases have you had any protests from the doctors?—I cannot say whether there have been any, but I do not know of any. None have got as far as the claims sub-committee; so if there have been any, they have been settled in the department, and therefore they must have been settled amicably in such a way as to satisfy the doctor or the member; otherwise any case of dispute must have come up to us.

7572. You said a little while ago that where any certificate has been given of incapacity, and you discover afterwards that the member is not incapacitated, you stop benefit?—Yes.

7573. When you do that, do you do it on the report of the sick visitor?—Yes.

7574. Do you have complaints from the members?—In certain cases we do have complaints, and what we do is to send our sickness inspector down to investigate the case on the spot.

7575. I think that all your sickness inspectors, 18 of them, are men?—Yes, but we have lady supervisors. In cases of dispute we are almost certain to send the male sickness inspector.

7576. What would the male sickness inspector do in such a case?—He would go to the member's house, and have the lady sickness visitor and the member there together, and hear what both had to say.

7577. Then if he decided that the sickness visitor were in the right, what would happen?—He has to report to us exactly what has happened. When he reports, we shall take a stand, either to continue payment in some cases in which he says he thinks the member is incapable, or to refuse to pay any further in cases in which he says he thinks that the sick visitor is quite right.

7578. If a woman were sick, and the inspector were satisfied that she was capable of work before the doctor had certified her to be capable, her next appeal would be to your sub-committee?—That case would be in the hands of the sub-committee already.

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7579. Have you any women on this sub-committee?
—No.

7580. Nor on your committee of management?
—No.

7581. If the committee indorses the inspector's view, the next step the woman would have to take would be arbitration?—That is so.

7582. Would, under any circumstances, a woman be chosen as arbitrator?—I do not think that we have chosen a woman to be arbitrator up to now.

7583. So a woman who had a grievance because her benefit was stopped, would have to apply in every case to a man or men?—Yes, which I consider is perhaps to her advantage.

7584. I was not asking that?—I thought, perhaps, you were leading me up the other way.

7585. Are any of the medical referees, who act for you, women doctors, or are they all men doctors?—I believe that they are all men.

7586. In these figures which you gave us about the number of people who declared off without going to the medical referee, there is a much larger proportion of women than of men?—Yes.

7587. Do you think that that would be partly due to a reluctance in some of these cases to be examined by a man doctor?—I do not think the question of being examined by a male doctor would enter into it at all with this class of people. I do think that the reluctance to be examined by anybody would affect some, but not a large number.

7588. Do you think that that reluctance would be as strong in every case, if the referee were a woman?—I do not think that the industrial population we are dealing with know anything about women doctors; they are all so accustomed to have men doctors.

7589. But you agree that they have shown a reluctance, whatever the reason?—I think they have. I have no evidence, but I am prepared to admit in some cases that some proportion of those women, and the men too, declared off rather than face the doctor.

7590. I think you have said that the sick visitors obtain declaring-off signatures from the members?
—Yes.

7591. I suppose that you measure the success of your sick visitors to some extent by the number of declaring-off forms they get from the members?—To some extent, but that is not a major consideration. The sick visitor is not put there to go round and get declaring-off signatures.

7592. Is the sick visitor provided with declaring-off forms?—When he goes round sick visiting, he is provided with all forms, declaring-on, continued incapacity, and also declaring-off forms.

7593. Have you had any complaints that women have signed these declaring-off forms without understanding what they were signing?—You mean cases where the sick visitor goes round, and gives them a form, but does not explain it?

7594. Have you had any sick women repudiating a signature obtained by the sick visitor?—No. I do not know of a single case myself. What you mean is that some of our sick visitors obtained the signature by deliberate fraud?

7595. I am not suggesting that. Have you had any case in which the women have said afterwards that they signed under a misapprehension?—I do not know of a single case. There may be some, but not a single case has come before me.

7596. Are you satisfied that all your sick visitors make it perfectly plain to a woman what the position is when she signs a declaring-off note?—Certainly I think so. They are a very good class of women, largely drawn from nurses, and they are very carefully instructed. They have supervisors over them, who are always instructed to watch them, and over all again they have the sickness inspectors.

7597. I think you said that your society were thinking of doing away gradually with your part-time sick visitors?—That is just a hazy idea floating around some of our minds at present.

7598. Why is that? Is it because you get more satisfactory results from your full-time visitors?—The full-time visitor is paid a better wage, and has got

something at stake, and does the work promptly, correctly, and in a business-like manner. The part-time sick visitor gets so much per visit, and does it how and when he likes. One big drawback is that the part-time visitor has to do this after working hours in the evening, and we want our sick visitor to be able to go at any time of the day.

7599. You find that you get more satisfactory results from the whole-time visitor?—Yes, but not purely on the question of declaring off. We do not judge the sick visitor from the percentage of cases which are declared off. That has got nothing to do with it. We judge it purely from the way he does his work.

7600. You said a little while ago that it would enter?—Did I? It would be part of it—the way he was doing his work.

7601. As to the staff whom you have who scan the certificates for minor complaints, are they simply clerks, or are they of any special grade?—We have 230 clerks in our claims' department who are doing this class of work, scanning certificates and so on. A percentage of them are ordinary clerks, whom we have trained and are training gradually, and a large number of them are men with friendly society experience.

7602. I suppose you would furnish them with medical dictionaries for this purpose?—There are plenty of medical dictionaries in the department.

7603. You could not tell us whether, in some complaints that are certified, you disallow them on the ground that the complaint was something a woman had to expect? You would not refuse a complaint on the ground that it was merely the usual course of things?—Certainly not.

7604. You are quite sure that that would not be done?—Certainly not.

7605. On the question of expelling members for withholding information, how many cases have there been of such expulsion in the case of women?—I am afraid I cannot say. I said yesterday, I think, that there were roughly about six or eight cases a week. I am not certain as to the figures, but I should say that it would apply more to men than to women.

7606. Have there been any appeals against these expulsions?—A few, one or two.

7607. How far have they gone?—Only as far as appearing before the committee. None have gone any farther than that.

7608. Has the committee indorsed the expulsion?—In every case that opinion has been indorsed.

7609. Are you quite certain that these expulsions are always for wilful, deliberate, and serious misstatement?—That is the line we always try to follow, and we always get a clear admission from the member.

7610. How do you get your information?—From the sick visitor very often.

7611. The sick visitor elicits in conversation that the member has suffered from previous complaints or troubles?—In very many cases the member has been in hospital or convalescent homes and so on. In quite a number of these cases the members have been in a convalescent home or hospital suffering from a complaint, and a few days after coming out they send in a form of application to join the society. When they become ill the sick visitor goes round making inquiries, and elicits the information. That is how it is obtained.

7612. What information exactly does he elicit?—That the member has been in hospital, or suffering from this disease previously.

7613. In that case would you consider yourself justified in expelling her?—Provided that she admitted that that was so, and that she knew she answered the question wrongly. The question is asked very particularly, as to whether she has within the past three years suffered from illness. We give her that question, and point out that she has answered no, and ask if it is true. In very many cases they admit that they did not want to put the illness in, because they knew that they would not get into the society if they told; and in other cases they simply say that they did not think that it was necessary.

7614. Are any of these women you have in your society illiterate? Do they all fill up the forms themselves?—Not all of them.

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7615. Would not your agent fill it up for them?—He would in some cases obtain the answers from the member and write them down, as they would in the ordinary life insurance business.

7616. Suppose that one of these forms was filled up by the agent, or admittedly not by the woman, would that in any way affect your decision?—Certainly it does affect us. We are far more careful there, and any question of doubt is decided in favour of the member.

7617. As to minor complaints, did I understand you to say that you paid on every certificate at first? Suppose you got a certificate for dyspepsia, would you pay on that?—Benefit has been paid in the district by our superintendent, and it is paid because he and the agent have satisfied themselves, as far as they can as laymen, that the man is incapable of work. When it comes up to the registered office, the benefit has been paid already for the week.

7618. Would not the superintendents in some cases refuse benefit before it came to you?—Certainly, they would refuse to pay, and submit the whole of the case to us to the registered office, and ask for instructions. In a large number of cases they do that.

7619. Are you satisfied that they send all these cases up to you?—I do not think that in any case they simply refuse straight away, and say nothing more about it. Is that what you mean?

7620. Yes. I was wondering whether in any case it would be possible that you would not be aware of refusals of benefit?—I do not think so for a moment.

7621. You are satisfied that no superintendent, for instance, would have refused to accept dyspepsia as a sufficient reason for incapacity, unless the member was in bed?—I cannot conceive that to be so.

7622. Nor debility, nor anæmia, nor a cold?—No. The superintendent would pay if he were satisfied as far as he could tell that the member was sick. He pays the benefit and then submits the papers to us. The claims department carefully scrutinise these papers. If, on the face of them, everything looks *bona fide*, the claim is passed. But if the dyspepsia goes on for two or three weeks, then the claims department clerk begins to want inquiries made; also each week when the claim comes up, we have the sick visitor's report, which is attached to the claim paper, and the whole thing is taken into consideration, the sick visitors report the statements on the declaring-on notice, and the doctor's certificate, but if the case has been on for three or four weeks we should probably write direct to the sick visitor, and say "we require you to make a special investigation," or in a lot of cases we have written direct to the doctor pointing out that this member is suffering from so-and-so, and we should be glad if, when examining the person, he would pay special attention to the question whether he is incapable of work. We adopt the practice of writing direct to the panel doctor in some cases.

7623. Do you find in these cases where you stop benefit a tendency among members to wish to transfer to other societies?—I have no knowledge of any such desire among that class at all.

7624. You do not, where you refuse benefit, get applications from the member to transfer?—No. I never heard of that at all.

7625. I think your experience must be rather happy as compared with other societies?—It is quite a new idea to me. It sounds quite logical in theory, but in practice I do not know that it ever happens. I do not say that we never have had such cases. I do not know of it. Our society has hundreds of thousands of members. We get applications for transfer in only a very few thousand cases per quarter. It is an insignificant percentage of our total membership.

7626. When you get an application for transfer, do you make no inquiry as to the reason why the member wishes to transfer?—The application for transfer nearly always comes through our superintendent. We ask him to make inquiries, and see what it is.

7627. You do not make any inquiry as to his reasons?—The superintendent reports as to why the member wants to go. The whole thing is so minor with us, that it is not worth while to make any

strenuous efforts to retain these members if they desire to go. We do not want members to stay with us if they desire to go elsewhere.

7628. In reference to what you have said about bank holiday weeks, is it a fact that claims are sometimes held over for inquiry, and that two or three weeks would be paid in one week?—That is so.

7629. Is it not possible that at bank holiday time, when there would naturally be in many homes a desire for money, this means that a little pressure might be put upon the agents and superintendents to settle up claims for back weeks, which had been running up?—I do not see how that could apply to bank holiday week more than to any other week. These claims are paid week by week. The superintendent has to submit week by week a claims statement, and if we find he is paying two or three weeks, he is written to in order to know why these claims are being paid in this way. If it is even an isolated case where he is paying three or four weeks' accumulated benefit, we should always write and want to know the explanation.

7630. You do not think that it occurs?—No. There would be as much of that in the previous week as in the bank holiday week.

7631. Would you be surprised to find, if you investigate the matter, that in the bank holiday weeks, a number of back claims had been paid out?—I should be very much surprised to find that in bank holiday week any more arrears of benefit were paid than in any ordinary week.

7632. Have you made any inquiry to find out whether in these bank holiday weeks there were new claims for these weeks only? Did you compare the number of declarations-on during that week with the declarations-on in any of the other weeks?—No, I have not.*

7633. You have given evidence as to the amount of fluctuation of benefit, but that does not satisfy me that one can from this fact draw the inference that presumably you meant to be drawn?—I do not know whether this would help to satisfy you; if there is a heavy accumulation which is being kept over for some reason for bank holiday week—I do not quite see why there should be—that means that weeks prior to that week must have shown a lighter sickness, because these claims were not being paid. But that is not so.

7634. Would it not have been more satisfactory to prove your point, if you could have shown that there was an abnormal number of declarations-on during these weeks?—It would have been quite a good point to have made.

7635. You agree that it would have been more satisfactory?—It would have been a good additional proof. At present we feel that the tremendous jump in the benefit for bank holiday week does prove our point, because there is no lessening of claims in the previous weeks which show a steady rate of claims. I really cannot see why members or agents should allow two or three weeks to accumulate for the benefit of bank holiday week, unless they are fit enough to be able to spend it in that week and enjoy themselves.

7636. The agents, of course, would be taking a holiday about that time—would they not?—They would be taking the bank holiday, but these are actual payments made in the week.

7637. Do you agree that there might be other contributory causes towards the excess?—I agree that there might possibly be other circumstances. I have not got the facts as to the declarations-on before me. If I had, I think that they would have helped me either to agree with, or refute, the suggestion made.

7638. (*Miss Teens*.) You have had a very large number of maternity claims?—Yes.

7639. Do you pay those in kind at all? Do you make arrangements for the provision of a doctor or a midwife, or do you pay in cash?—Practically in all cases we pay in cash, but in several cases we have got agreements with hospitals, and pay them a certain amount of cash. Different hospitals have different

* On an examination of the society's experience it is found that there is an abnormal drop in the declarations-off during the bank holiday week.—J. A. J.

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kinds of agreements with the members, but in all cases it is an authority from the member supplied to us by the hospital for us to pay this maternity benefit through the hospital. In some cases we keep a small amount over.

7640. So it is not difficult for members to obtain hospital treatment where necessary?—No.

7641. Do you find that many of your married women members come on the sick fund after confinement in excess of the four weeks? I suppose you pay the ordinary four weeks to your insured members?—We do not pay for the four weeks. Our attitude is that the member gets sickness benefit when she is incapable of work, whether it is one week after confinement or ten weeks after confinement. We have no rule that every member, who is confined, receives four weeks' benefit. I would almost be prepared to say, without knowing the exact facts, that all of them do receive four or more weeks.

7642. But you do not find that any large number of these married women require it in excess of the four weeks?—I cannot answer that.

7643. You mentioned ten weeks?—I cannot answer that question, because at the present time we would not be able to take out any actual experience from any special claims of members, and deal with them as the experience of the whole society.

7644. On the whole you consider that these women obtain efficient treatment during confinement, so that this excessive rate in the case of a good many claims from the married women is not due to lack of efficient treatment?—I am rather inclined to think that the sickness does not come after the confinement. I think that most of the sickness that has hit us has come prior to confinement.

7645. You say that you do not pay unless you are absolutely convinced that the person is utterly incapable?—Absolutely convinced is hardly the way to put it. I would say that we pay where we were satisfied that the person is incapable of work.

7646. You mentioned a case where after a major operation there had been some difficulty about the person remaining on too long. Have you got the exact dates?—From July 22nd to October 29th. The operation was performed on August 14th.

7648. I suppose that you usually allow several months after a major operation?—Certainly. This case proves it. The operation was over more than three months, and the sick visitor reports the case to us, and says he feels convinced that the member can return to work.

7649. What would be the earliest date at which you would ask the sick visitor to report in such a case?—The sick visitor reports on every case every week, irrespective of any special report. If a special report is required, it is asked for by the registered office. In this case the member declared on on the 22nd of July. We got notice that she was suffering from colic. The sick visitor reports on the 22nd of July. This is very probably a case where the sick visitor handed the member the declaring-on notice. She might have been going round visiting the house or the district. The sick visitor reported: "Visited the above member, 'who is very ill at present, and will probably be 'obliged to have an operation.' It goes on from week to week. On the 29th she reports: 'Have called 'twice in the daytime, but failed to get in. Have not 'called again yet, as I was quite confident last week 'that it was a genuine case.' That goes on all the way through. We pay this woman benefit up to and including October 15th, when the visitor reports.

7649. That would be your usual practice after the operation. You would allow about three months?—No, we have got no fixed time at all. I should say that three months is a good long time, unless there are some complications, after an operation for appendicitis.

7650. Is the work which the majority of these people do heavy work, the strain of which would be likely to produce rupture?—Do you mean in the case of a female member?

7651. Yes?—I have got no evidence as to occupation except that they are largely drawn from industrial centres, but the occupations vary very much. Some

are very light. For instance, some of the occupations in the Birmingham district are very light. On the other hand, some of them are extremely heavy.

7652. You would allow that in such occupation there would be a certain risk in returning to work too soon?—Certainly.

7653. (Dr. Lauriston Shaw.) You said that you thought there were as many definitions of incapacity for work as there are doctors or approved societies?—I said that was an exaggeration.

7654. I suppose the one definition, which is the least common, is the actual literal interpretation of the words incapable of work. Very few of your patients are physically incapable of any work?—Very few.

7655. What you really mean by incapable of work is incapable of work without some harm being done. Is not that it?—Yes. I take it that that is what it really means.

7656. In your opinion, there are great differences of view as to what is meant by incapacity to work?—Perhaps I ought to have said that there are great differences in practice.

7657. And you would recognise that the medical man is the best person to determine the individual case, whether the patient is incapable or not?—Admittedly.

7658. Have you in your office, in addition to medical dictionaries, any professional medical man to help you in your work?—I mentioned yesterday that Dr. Woodwork is a member of the special claims sub-committee.

7659. You tell us that you pay a fee of 2s. 6d. for a referee. Are you not referring to the fact that you pay 2s. 6d. towards a fee?—The 700 cases were cases referred to the medical referees appointed by the insurance committee, and we paid the 2s. 6d., in Bristol nothing; but in the other cases, the 190 cases of our own, we simply state the minimum and maximum of the fee. But the 2s. 6d. fee can be practically ignored altogether.

7660. You have actually paid as small a fee as 2s. 6d.?—We have. Doctors will give in certain cases a slight examination, where probably we do not want a very searching one.

7661. (Dr. Pearse.) You say that about 1,000 claims are held over each week. About how many are held over on the nature of the disease?—Those 1,000 cases are held over because of some report from our sick visitor or some representation from our superintendent that they are certain that this member is capable of work.

7662. Are any cases held over on the nature of the disease stated on the certificate?—No.

7663. You admit all claims on their face value?—We would not hold up claims except for misconduct, but the practice is as stated. Where the disease stated on the certificate appears to be a minor one, and the case continues for too long a time, we either write to the sick visitor, and ask for a special report at once, or we should write, and, indeed, in a number of cases we have written, to the panel doctor direct—the man's doctor—and pointed out that we have paid benefits for so long for this claim, and we should be glad when he next examines the patient to pay a little attention to the question whether the patient in his opinion is really now incapable of work.

7664. Do you complain much of the form in which the disease is entered on the initial certificates, or of the doctor's wording of the disease?—No, we have not much to complain of on that account. I suppose you mean as to whether it is vague or not.

7665. That is what I mean?—In the huge majority of cases the statement is quite clear that it is anaemia or something. As to whether it is a correct diagnosis, that is another matter.

7666. Do you consider that you admitted to membership many had lives when the Act was introduced?—I do not think we did; at least, we are hoping we did not.

7667. Did you have many cases which, shortly after the introduction of the Act, came on for the full period of 26 weeks?—Up to date, the number of people who have received the full 26 weeks' benefit is 2,282 men and 1,774 women.

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7668. You said that you thought the free choice of doctor was detrimental—detrimental to whom?—Detrimental to the working of the Act as a whole. What I mean is that it is detrimental to the giving of really strict and accurate certificates.

7669. Do you consider it is detrimental to the insured person?—No, I cannot say that I mean that.

7670. Take the question of holiday sickness for the moment. Apart from the holiday weeks, has the sickness payment risen by 1,000*l.*, or approximately 1,000*l.*, in any one week?—There is an extraordinary level curve according to the season.

7671. Do you mean that the Easter and Whitsuntide claims were exceptional?—Absolutely. Taking Whitsuntide, there was a jump of 1,000*l.* over the previous week, and there was a drop for the next week of 600*l.*; the next week a drop of 200*l.*, and the next week a drop of 9*l.*, and so on.

7672. Has your society had any initial certificates from unqualified persons, such as herbalists and bone-setters?—I have never heard of one. None of them have come before me.

7673. Would you pay on one of those certificates?—That is a matter I should like to submit to the claims sub-committee.

7674. (Dr. Fulton.) You say that your society had no previous experience of the administration of sick pay?—The society is quite a new thing.

7675. Have your agents, on the whole, had experience of friendly society work?—A large number of agents, and particularly superintendents, are friendly society men.

7676. Had they experience as officials of friendly societies, and had they been officials in them?—A number of them have, but I do not say that the number is a large one.

7677-8. Had many of your members any experience as members of friendly societies before?—That I could not say. I do not think that many of our members are insured with other societies.

7679-80. So you would expect that they would not have quite the same idea of strictness as to sick pay, and doing work while receiving sick pay as members of friendly societies would have?—That is so; they would have no experience at all.

7681. Does not the same remark apply to some extent to the doctors on the certificate question? Were there many of them who had no experience of friendly society work?—I was under the impression that a large number of doctors, at some time or other, had had experience of club practice, and a certain amount of friendly society work.

7682. But of the doctors now working under this Act, a large number surely had no previous experience of working as a doctor for a friendly society?—That may be so.

7683. With all these fresh elements, are you surprised that there has been some difficulty and irregularity on the part of all concerned in the administration of the Act?—I am afraid we rather looked to the doctors to be our first line of defence.

7684. I am referring to the society itself, the agents, the members, and the doctors, everyone of them being new to it in many cases?—That would have some effect.

7685. The machine would not work smoothly?—That is so.

7686. As to certificates, have you a form of the certificate with you?—Yes; the certificate is an exact copy of the certificate issued by the Commissioners.

7687-8. Had you a going-on form of your own when your society first started operations?—We had a form with a doctor's certificate attached to it, which the doctors in a large number of cases did not use. It is a declaring-on note, and was used for that purpose.

7689. (Chairman.) Is that a note which was special to the society or is it the Commissioners' form?—This was a special form of declaring-on note for the society.

7690-1. Was it ever used?—It always has been used, and it is used at the present moment, except with one or two minor alterations.

7692. I thought that you said that you used the Commissioners' form?—That is the medical certificate. The form is drawn up by ourselves, but the medical certificate is an exact copy of the Commissioners' certificate, even to the word "Confidential." We put it in a picture frame to show that it is an exact copy.

7693. (Dr. Fulton.) You have made rather serious charges against the profession of carelessness in signing certificates?—Yes.

7694-5. What I want to arrive at is that your society had a peculiar form of certificate?—The medical certificate says, "I hereby certify that I have " to-day seen — and that he is suffering from* —, " and is thereby rendered totally incapable of work. " Illness commenced — day of — 191 .

" (Signed) — Doctor in attendance,

" Address :—

" Qualifications :—

" Date :—

* * Insert nature of illness, and if due to accident or an industrial disease, or if contagious, kindly add that information."

7696-7. There were two lines for the address. You expected the address in full?—We did not get it, and did not press for it; in some cases we did get it.

7698. You complain that these forms have been carelessly filled up?—I am not speaking of the address or the qualifications, and so on.

7699. What was your point? Did you refer to the illness starting on such-and-such a date?—That was to help us in seeing when the member commenced to be ill, and was entitled to commence benefit. The member had to state the actual day of the week, and the date upon which he was rendered totally incapable of work by such disease or disablement. The question as to the actual time of day was a question forced upon us by the Commissioners. The member was asked to state the actual day of the week, and the date upon which he was last at work. He gives us two dates, one upon which the illness commenced, and one upon which he was last at work, and we ask the doctor to give us, if he can, when the illness commenced.

7700. In many cases the doctor would have to depend on the insured person's statement as to the day on which the illness commenced?—Yes, if the member did not go to him on the first day.

7701. If you got one of the Commissioners' forms stating that the person was incapable of work, you did not insist upon the member having one of these forms in addition?—Certainly not. This was only put on for the convenience of the doctor not having the forms. Here is a case of an ordinary National Health Commissioners' certificate where the doctor had certified the complaint. In this other case the same doctor signs our form, but does not put his address.

7702. Were these forms not used for continuing forms?—A separate form was used for that purpose.

7703. In what way do they differ?—We do not ask for the date of the commencement of the illness.

7704. You asked for all the other particulars practically in full?—Yes, we did.

7705. Do you realise that there was no other society that asked for so much information, and which issued such a troublesome certificate as yours?—We soon found out that it was considered very troublesome, and we did not press for the address and that sort of thing.

7706-7. Are you surprised that there was some carelessness in filling them up on the part of the medical men? You asked for six lines to be filled in on every certificate?—Yes. Do you mean that, because they were asked to fill in these six lines, they deliberately gave us wrong information?

7708. You say the certificates were carelessly filled in?—I was not referring to the addresses. You mean am I surprised that the doctors were careless. I am of opinion that they were careless in giving the nature of the illness.

7709. Do you say that reluctance to state the nature of the disease is evidence of carelessness?—Yes, and as proof of that, I stated that where we were not given the nature of the disease, we refused to pay benefit until we were given it. There was only one

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case in which we did not get the nature of the disease, and in that case we got it through our own medical referee, and the disease in that case was hip disease.

7710. Do you suggest that there was no other reason?—I certainly agree that one reason was the belief that in certain cases it would be injurious to tell the patient.

7711. When the certificates are given to an insured member, are they usually collected by some young man as your agent?—They are collected by a man who is our agent, but not a young man.

7712. Are not many of them young men?—No, the average age would be fairly high. They are all over 21.

7713-4. Do you think it very nice in the case of a woman who has some sexual ailment, that the nature of that ailment should be stated in full, and the paper left on the kitchen table to be collected by some young man or middle-aged man, with whom she is perfectly well acquainted. Does that appeal to you as a good way of doing things, and if it were your own sister, would you like it? You describe the relation of your agent to the insured person as that of guide, philosopher and friend. Would you consider that that was also the relation of the medical practitioner to your insured member, at any rate, so far as being guide and philosopher is concerned?—I should say that they have not the time and cannot visit the homes, whereas our men are visiting the homes, and going into the houses each week.

7715-6. Surely the average relation of the medical practitioner is that of guide and friend?—That is so.

7717. You say that sufficient attention is not given to the distinction between illness which does, and illness which does not, incapacitate for work. When a medical man gives a certificate saying that in his opinion one of your members is totally incapacitated for work, what do you think the doctor really means? Is it that the man is absolutely incapacitated for any kind of work, or that the doctor considers it inadvisable that he should do any kind of work?—I should say it would probably mean, in the majority of cases, that a man has something wrong with him, and if he goes to his occupation as a bricklayer or navvy, he would probably do himself some harm.

7718. Is it not almost impossible to take up the strict attitude that a medical man must not give a certificate saying that a man is incapacitated for work unless he is totally incapacitated for any form of physical exertion?—It would be very difficult for the doctor.

7719. Even in the case of your prize-fighter, who knocked his man out, and who was certified as suffering from incipient consumption, it was inadvisable for the man to undertake any physical exertion?—He undertook about the highest form of physical exertion he could.

7720. Probably it was bad for him?—I presume that for several weeks he had been training for the event. He could not for several weeks be on the sick list, and treat himself for incipient phthisis, and then suddenly get up one night, and go into the ropes.

7721. You quite appreciate the difficulty in which the doctors are placed on this question?—I do.

7722. You are probably aware that friendly society doctors in the past had to certify whether a man was capable of following his usual employment?—I believe that that was so.

7723. Have your members any appeal from the medical referee, say, in a case of appendicitis?—The rules say, "If any dispute shall arise between an insured member, or a person who has ceased to be an insured member, or person claiming through such member or person, or under the rules, and the society, or the insurance committee, or any officer of the society, it shall be decided by arbitration."

7724. There is no appeal to another medical opinion?—No, but I think that a member would avail himself of another medical opinion when going to arbitration.

7725. When you have written to a panel doctor about a patient, have you had a fairly sufficient reply as a rule?—It has had a very good effect. They have helped us in that way certainly.

7726. When they were asked?—Yes.

7727. Have you any other form of certificate?—For the first six months we had three forms, a declaring-on form, a continuation form, and a declaring-off form. Now we have a declaring-on form, and a combined continuation and final form.

7728. Your agents are supplied with them?—Yes, all of them.

7729. If they run short of them, would they have any difficulty in getting them?—None whatever. The superintendent is a man who has an office under his control, and has probably one, two, or three assistant superintendents, and he may have 10, 20 or 40 agents. He keeps a big stock of stationery in his office, and the agents can call at any moment and get the forms.

7730. Would it sometimes mean a walk of two or three miles for the agent?—I think that the agent who was two or three miles away, would know before his stock absolutely ran out whether he wanted some or not.

7731. You have no information at the head office, that that was a difficulty?—It is no difficulty at all. If the agent runs short of cards or anything else, all he would have to do would be to go to the district office of the Royal London, or some other of the societies or companies interested in the National Amalgamated. In every centre there is an office of at least one of these, and the National Amalgamated and the allied offices all work together.

7732. With regard to the day of declaring-off, you attribute a good deal of the loss to the fact that a large number declare off on a Saturday. Do you think that that is due to the old standing custom of members of friendly societies knocking off for a week?—No, I do not think it can be that. I have already said that our members do not know much about sickness insurance.

7733. But a good many of them work with members of friendly societies?—Not when they are sick. I do not know that they have discussed the matter, when they are in good health with their next-door neighbour who happens to be a friendly society man, or have asked him, "When I go on the funds when shall I declare off?"

7734-5. Surely most of your people must have heard some other people say: "I am going to have a week off" in the days gone by?—I think it is a general human sort of desire when you are fit on the Wednesday to remain off for the week. I should probably myself, if I were fit on the Friday, say, "I am going to take to-morrow off."

7736. Do you expect that this will always be a difficulty?—I think it will be for some time; it may improve.

7737. May I suggest to you that in many factories and in many collieries the men would not be allowed to start again on the last day of the week, if they had been at home?—That fact would not affect their incapacity.

7738. In what way do you suggest that a doctor is to say at 11 o'clock on Wednesday night that a man is unfit for work, but at 11 o'clock on Thursday morning that he is fit for work?—I have not suggested that the declaring-off on Saturday had anything to do with the doctor.

7739. That is a new element in your members?—Entirely.

7740. With regard to the great increase of sickness in bank holiday weeks, were the payments made during the bank holiday weeks?—Yes.

7741. Then it must have been for people declaring on before the bank holiday week?—Yes, just before; they would probably come on on the Saturday or Friday before.

7742. It would really be 10 days before the bank holiday week, because you do not pay for the first three days after a person declares on, and for the following week, you would not pay until the end?—As soon as the week's benefit is due, it is paid.

7743. That is 10 days after the commencement of the illness?—In new cases.

7744. If there is an increased sickness experience in the bank holiday weeks, the people must have come on ten days before, or have failed to come off immediately before the bank holiday week?—Yes, I see it was the

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week following bank holiday, and I have been speaking of it as the bank holiday week.

7745. That means that the going-on certificate must have been given before the bank holiday week?—Yes, most of them must have been.

7746. Is it your impression that the people wish to have a holiday in bank holiday week, or that they were short of money during the bank holiday week, and therefore in want of funds, or, say, in the case of women dressmakers or that class of work that there was an extra push of work in the week preceding bank holiday, or was it that their money was such that it made it practically impossible for them to get the rest they needed?—I think that probably the major thing is the question of the holiday.

7747. That they like to go away for a change of air and draw sick pay?—Not necessarily that they go away for a change of air, but the works are shut down, and they are made to take a holiday whether they want it or not.

7748. Your feeling is that they go on the sick fund to make up for loss of wages during that week?—Yes.

7749. (Mr. Burn.) I think that you said there were 2,282 cases of men, and 1,774 cases of women who had drawn the full 26 weeks' benefit during the first six months. Was that so?—No, that is up to date.

7750. I think that your membership consists of about 1,000,000 men and 600,000 women?—Yes.

7751. So that the conclusion one would draw from these figures is that there has been a considerably greater percentage of women who have been ill 26 weeks than men?—Certainly.

7752. Have you any other figures which would lead you to suppose that the average duration of the sickness of women was greater than the average duration of the sickness of men?—I said that for the whole society the average duration of sickness for males was just under four weeks, and the average duration for females was just over six weeks.

7753. You gave figures in reference to Manchester and Salford?—I meant that district.

7754-7. You compared those with Bolton, and as I took down the figures, the average cost per member was 5s. for 13 weeks in the case of Manchester and Salford, and 5s. 5d. in the case of Bolton, the average cost per sick member for Manchester and Salford was 2l. 11s. 4d., and for Bolton 2l. 2s. 9d., for the whole of your society the average cost of the same period per member was about 3½d., that is to say, 3½d. as compared with 4½d. and 5d. What was the conclusion which you drew?—I was dealing with the question of payment per visit or payment per capita.

7758. (Chairman.) Do you mean payment of the doctor?—Yes, payment per visit or per member. We said that where he was paid per visit we thought the effect was for the members to stay on the funds for a longer period than they would in the ordinary way, and, in order to prove that point, we gave those figures.

7759. (Mr. Burn.) With regard to maternity benefits, I understood you to say that you apparently have an exceptional number of maternity cases in your society?—It would appear that we have.

7760. Do you think it is probable that other female societies have a larger number of unmarried women than your own society?—That is so, and, in addition, our female members are largely drawn from industrial centres.

7761. The natural result of that would be that you would have a larger number of maternity benefit cases, and although those are provided for by special reserves, you have no means at the present time of knowing the percentage of married women which you have in your society?—No.

7762. Do you also conclude that the fact that you have a larger number of maternity benefit cases results in a larger number of sickness cases?—That is the point I wanted to make.

7763. With regard to your proposal as to hereditary diseases, is it a fact that you have a reference to hereditary diseases in the proposals, which are given in the ordinary course of business by the different

insurance companies, with which your agents have to deal?—Yes.

7764. The agents, therefore, would know what was meant by "hereditary diseases," or, if they did not, you would have to instruct them?—Certainly.

7765. They would, therefore, have an opportunity of explaining to the people what was meant by "hereditary" in the case of proposals relating to the National Insurance Act?—Yes.

7766. You said that you had from 40,000 to 42,000 claims per week, and that about 1,000 of those are held over for various reasons. I suppose that as your agents are visiting the houses more or less every day, they have an exceptional opportunity of finding out any cases of malingering?—That is so. There is only one drawback from the agent's point of view in detecting malingering, that is, that he goes nearly always at regular stated intervals, and the member would know when he was coming. On that account, he is really not in a good position to detect malingering. All the 1,000 cases are cases held over because of reports from our agents, superintendents, and sick visitors. Where they cannot produce sufficient evidence, or where they cannot get a member to declare off, or stop a case altogether, we hold the case over ourselves at the head office, and instruct the superintendent to pay no more sick pay until further investigation has been made. That further investigation is probably made prior to the time when the next payment of benefit falls due, so that the member is not really hurt in any way.

7767. I thought you said that these 1,000 cases were mostly reported by the sick visitors. I thought that was rather curious, and that some of them might be reported by agents?—Of the 1,000 cases, quite a large proportion would be cases reported by our own staff. The sick visitors' reports, and the declarations-off obtained by them are quite apart from these facts I have given.

7768. With regard to the apparent maximum in your sickness in the holiday weeks, I take it that it is really impossible to get information of the sickness which refers exactly to one period, and that your real meaning is that there is apparently a maximum amount of sickness shown for each of those three separate holiday weeks, which is conclusive evidence that there is apparently a higher rate of sickness about that time?—Yes.

7769. (Mr. Mosses.) Yours is a very large organisation?—Yes.

7770. I think it is the second largest in the kingdom?—I believe it is the largest individual approved society. The other society which you have in mind has six sections.

7771. Your members are very largely picked lives?—So far as we could pick them, as I have explained in my previous evidence, from the application forms and reports.

7772. Did you pay your agents any fee for procuring those members?—We paid them a certain remuneration for the work of introducing members.

7773. Did you find that conflict with the choice of the people who were joining you?—I do not think so. You may say exactly the same thing in our ordinary business, where they get a large procuration fee, and that is not the effect there. The agents are used to working for an industrial society, and they will work on exactly the same lines, because they are being controlled by the same men.

7774-5. Could you tell us the occupation followed by the majority of your women members?—I could not. I started to get out some figures, but it was too big a task, and I can give you no information at present. It only appears on the application forms, and our records.

7776. Can you give us roughly the area in which the women members are situated? Have you many in the cotton districts in Lancashire?—Yes, in all the industrial centres all over the country, we have a very heavy membership.

7777-8. Have you many domestic servants?—I could not say that. We have not differentiated between them, and I can give no figures.

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7779. In the event of any members who are policy holders and who relinquish those policies, would they be required to leave the State section?—The question of their having to leave the National Amalgamated Society would not be entered into at all.

7780. Would any disability attach to those who transferred to other societies from the State side?—No, no disability at all.

7781-2. With regard to your committee, you have a committee which we may call the supreme body connected with the State side?—Yes.

7783. Are any of them insured persons?—No, none of them. They are all honorary members.

7784. Are they the same individuals who form the supreme committee of management on the voluntary side?—When you say the "voluntary side" do you mean the allied offices, the insurance companies?

7785. Yes?—The men on the committee of the National Amalgamated are drawn from the directorate and the committees of management of the allied offices.

7786. Of the 10 allied societies?—Yes.

7787. They are elected by the directorates of their respective organisations?—I presume the directorate stated which one should represent that society.

7788. Do they contain any women among them?—No.

7789. Is there any special reason why they should not?—No, I cannot say that there is.

7790. Has the question ever arisen?—I do not think that it has ever arisen, or has ever been thought of.

7791-2. Have any representations been made to you by your women members with regard to representation upon any of your committees?—No. On the local insurance committees, we, of course have women representatives.

7793. Is there any element of democratic control in your organisation? You know what I mean by "democratic control"?—I should like you to define it. If you could, it might help me to answer.

7794. Government of the insured persons, by the insured persons, for the insured persons—that is about as good as I can put it. Is there any element of that kind in your administration?—No, except that nearly all the present members of the committee are those who have been agents or superintendents, and have worked up to their present positions by sheer ability, therefore they are persons who thoroughly know and understand the British public, and the members they are dealing with, and know absolutely all their interests and everything of that sort.

7795-6. I think that it is a fair assumption to say that they are there in the interests of the society and not in the interests of the member?—No, emphatically, no. They—every one of them—are there, and are working, for the interests of the members.

7797. Do you say that wherever there is any conflict the members, if possible, get the benefit?—Certainly.

7798. You stated that 46 per cent. of your sick members declared off on Saturday?—Yes.

7799. And only a moiety of them on the other six days of the week?—Monday is a normal day; we have a fair proportion for the Monday.

7800. Does that point to remissness on the part of the sick visitors or on the part of the medical men with whom you are associated?—I should say it points to neither. It means that the sick visitor may be calling there on the Tuesday, Wednesday or Thursday, and my point is that the member was really fit to go to work on the Friday or on the Thursday, but did not in fact go to work until the following Monday, and therefore did not declare off until the following Saturday.

7801. Knowing that practically half your members will declare off on the Saturday, have you not taken any steps to ascertain whether they are fit for work on the Thursday or Wednesday?—Our sick visitors and agents and superintendents are, of course, doing that in the ordinary way. When an agent calls, he calls to pay benefit, and he is presented with a doctor's certificate and a continuing incapacity form stating that the member is still incapable of work, and the agent may not visit that person again for another week.

7802. If you know what is going to happen, do you not take means to prevent it happening?—Our sick

visitors are continually going round; that is what we are doing.

7803. It seems to me probable that a good number of your members have one, two or three days' sickness benefit to which they are not entitled, and that that may account to a certain extent for the excessive sickness of which you complain. Do you agree with me?—Yes.

7804. But you have not taken any special steps to prevent that except the ordinary sick visitor?—The appointment of 1,200 sick visitors may be regarded as taking steps.

7805. But they are going round in a general casual way. I am speaking of the 50 per cent. of your members who declare off on a Saturday, a good many of whom presumably should have declared off before?—To make sick visiting effective, the visitor must call in a casual way; therefore, he is calling on the member all over the week. When he calls, it may be that the member is not fit to return to work on that day, but he might get fit for work two days afterwards, but does not go to work until the following Monday, which perhaps is four or five days afterwards. At the moment I cannot see what steps we could take to get our visitors to go round on a certain Thursday or Friday to see whether a man was then fit for work.

7806. You agree that the circumstance of declaring off on Saturdays does account for a good deal of your excessive sickness?—Yes.

7807. You spoke about total incapacity from work; do you say a man must be incapacitated from all work?—No, we do not say that. The certificate states that. We read it in a wide sense, and we do not read it absolutely literally.

7808. Dr. Shaw and Dr. Fulton dealt with that from the medical standpoint, and I wish to have a word or two with you with regard to this point from the industrial standpoint. Take a man engaged in a laborious occupation—for the moment I cannot recall a more laborious occupation than that of a maker of heavy chains, who must be in the very pink of condition to be able to do his work?—That is so.

7809. Supposing that that man was certified as being capable of sweeping the shop, or keeping it clean, or doing a little light portering in the works in which he was previously employed, would you deprive that man of his sick benefit?—Yes. You mean, where we got knowledge of the fact that he could work in the same works as a porter on light portering and on wages?

7810. Yes?—We should stop the benefit, certainly.

7811. How would you get that information? From the doctor or the sick visitor?—I do not know. You assumed that we got it. I do not know how we should get it.

7812. I want to know what authority you would accept as sufficient that the man was capable of doing certain light work. You might have an opinion, but it might be founded on insufficient knowledge?—There are three sources from which we could get it—the doctor, the sick visitor and the agent. If the agent reports it, we ask the sick visitor to call and investigate the matter. That is what we call "special investigation." The sick visitor would call, and if the man is doing light portering, there is no question of whether he is able to do it or not, because he is doing it.

7813. Suppose he is only capable of doing it, and not doing it. Suppose the kind of job is light portering or light work of any kind in the works in which he was formerly employed. What would you do in that case?—We should not pay the benefit.

7814. Where the man was capable, but not able to get the work?—That does not affect our view. We insure against sickness, not against unemployment, and that is surely unemployment.

7815. I was interested in the local arbitration arrangements that you have. You say your superintendents arrange with three or four local tradesmen who act as arbitrators?—Not our local superintendents, but our local sickness inspector.

7816-7. They form a panel of local tradesmen, and those gentlemen act on appeal in cases of dispute of sickness?—No. Three names are chosen of local

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tradesmen, unconnected in any way whatever with the society. The member is given the names and addresses of those three persons, and the member chooses one who conducts the arbitration.

7818. You said that there has never been any case of appeal against the decision of these arbitrators?—Not to my knowledge from them to the Commissioners.

7819. Are you aware whether the appellant signs an undertaking to abide by the result of the arbitration?—No such undertaking is signed.

7820. Is it reasonable to expect a woman to go before a local tradesman, and submit a case of disputed sickness to him? Have you had many appeals of this kind from women?—Very few. We have had very few appeals of the kind at all.

7821. Very few appeals from either men or women?—Yes, very few arbitration cases. I should say you could almost count them in fives.

7822. (*Mr Wright.*) Dr. Fulton, in examining you just now with regard to this 46 per cent. of cases which were declared off on Saturday, asked whether it could be accounted for by an old-standing custom of the friendly societies, and in your reply you seemed to me to assent to the idea that there was an old standing custom of that sort in friendly societies. Is there any such custom to your knowledge?—I do not think I assented to such a reply. I have no knowledge of any such custom.

7823. With regard to the admission of members, the agents I suppose of the ten allied societies or companies had instructions to canvass for members, had they not?—Full instructions were issued to them to enrol members, the main idea being for them first of all to enrol the members with whom they were already in touch, and it is to those members that they first of all mainly devoted their attention.

7824. And did the instructions restrict them in the first place to inviting applications from those who were insured in one or other of the companies?—No, there was no restriction placed on them.

7825. May I assume that they would make a house-to-house canvass with a view to obtaining members of the National Amalgamated Approved Society?—They would not have much time for a house-to-house canvass because of carrying on their ordinary business. Presumably they would do a certain amount of canvassing for the State members, but chiefly I should say while they were doing their ordinary work of the insurance companies, and in the houses where they were already visiting.

7826. And canvassing amongst persons with whom they had no previous acquaintance?—Outside their own policy holders' houses, yes.

7827. You told us, I believe, that these agents were accustomed in the course of their ordinary work to be very particular as to the class of people they canvass?—Yes. They certainly must exercise a considerable amount of judgment as to the persons they introduce, but they might canvass a man, and not know that he is undesirable, until after they had canvassed him.

7828. But in those cases they were required to certify that they had some knowledge of the persons whom they recommended for membership?—They were not asked to certify that. They were asked to say if they had some knowledge.

7829. Did you not read us a declaration signed by the agent that he could recommend the applicant for admission to the society?—Yes.

7830. Then am I to assume that in some cases the agent made that recommendation without knowing anything of the individual?—He would make that recommendation, in those cases where he did not know the person (and there were a certain number of cases introduced, of course, where he had no previous knowledge of the person), on the surroundings and the general appearance and general circumstances of the person.

7831. You told Mr. Mosses that the agents were paid a procuration fee, I believe?—A fee for the work of enrolling members.

7832. I do not know whether you will object to telling us what that fee was?—At the end of the first quarter they were paid a fee of 6d. per effective

member whom they had enrolled, the 6d. covering all the work of enrolling the member, and keeping in touch with him, and collecting the cards throughout the quarter.

7833. You are associated, I believe, with the Britannic Assurance Company?—Yes.

7834. And you would be well-acquainted with the character of the agents of that particular company?—Yes.

7835. You would not be so well acquainted with the character of the agents of the other companies, and the manner in which they carry out their work?—Not so well acquainted.

7836. And you would agree, of course, that insurance agents vary greatly in their methods of work?—Are you comparing agents in one office?

7837. Agents in various offices?—I should say that they all work on similar lines. I do not know.

7838. When you say agents have been very particular in this respect, may I take it that you are referring mainly to your own knowledge of the agents of your own particular company?—In the first place, yes, but in the second place, also, we know from our association with the men of other offices, that their agents are working on similar lines.

7839. What body of persons adopted the rules of your society?—I am afraid I do not know what the body was.

7840. Are you acquainted with the rules of the Prudential Approved Societies?—Yes.

7841. Do you know that the rules are similar in almost every respect?—I know that they are similar to ours.

7842. Could you tell me who was responsible for the drafting of this code of rules?—I believe that they were based almost entirely on the model rules.

7843. On the model rules issued by the Commissioners?—Yes, I think that you will find that ours are.

7844. In making that statement, you surely would not refer to such a rule as Rule 24, for instance, relating to Government?—That was one of the rules left by the Insurance Commissioners to the societies to draw up themselves.

7845. The same thing would apply to Rule 23, relating to meetings?—Yes.

7846. And to Rule 25 relating to the president and vice-president?—That is a model, I think; I am not sure.

7847. You say generally that the rules were based upon the model rules. What I want to know specially is by whom were these rules drafted, particularly Rules 23 and 24?—I do not know.

7848. You had nothing to do with the drafting of the rules?—No.

7849. You do not know by whom they were adopted?—I cannot say the body.

7850. Can you tell me whether a general meeting of the National Amalgamated Approved Society has ever been held?—Not yet.

7851. These rules have never been adopted by the members of the National Amalgamated Approved Society?—Not in general meeting assembled.

7852. Can you tell me how the officers and committee as set forth in Rule 24 came to be elected or appointed?—I really do not know. I know—I can only speak for myself—that I was offered a position.

7853. Can you tell us who offered it to you?—The actuaryship was offered me in an informal way through the chairman of the society.

7854. That is Mr. Jefferson, senior, your father?—Yes.

7855. You do not know who offered him the chairmanship, I suppose?—No, I do not.

7856. May I take it that it was a kind of share out between the various allied societies—a share out of offices?—I do not know at all.

7857. You have no knowledge whatever of the constitution of the society?—I have a knowledge of the constitution so set up here.

7858. But you have no knowledge as to the manner in which it was originally constituted?—No.

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7859. Who would be competent to give us that information, supposing we desired it?—I really do not know whom you could choose; it was all done under the control of the Commissioners, of course.

7860. You spoke of superintendents and districts. By districts do you mean some districts set up in accordance with this Rule 23, par. 5?—No.

7861. Have any such districts been set up?—Not at the moment.

7862. Then over what districts do the superintendents exercise control?—Over the districts which are already in being in connection with their insurance office, which is not a geographical district.

7863. May I take it that the superintendents in the employ of the nine or ten allied companies all act as superintendents for the National Amalgamated Approved Society?—Yes.

7864. Then in one particular area it is possible that there may be ten superintendents all representing the National Amalgamated Society?—If you look upon Birmingham as a district, there might be 50 superintendents there, and there probably are.

7865. As a matter of fact, superintendents do not superintend districts, but superintend agents?—Yes, covering a certain area.

7866. We will not take a place like Birmingham. We will take some village. Take Knowle, in Warwickshire, if you like. That is in a particular district of the Britannic Assurance Company?—Yes, Knowle in the Britannic Company is in their Leamington district.

7867. Therefore the Leamington superintendent of the Britannic would superintend the payment of sickness benefit in that particular village of Knowle?—Yes.

7868. Supposing Knowle also happens to be in the Leamington district of the Pearl Assurance Company, Ltd., what is the position of the district superintendent of the Pearl? Does he also exercise control over that village of Knowle?—Of the members through the agency of the agent under his control, but not in the Britannic.

7869. The superintendents have no particular superintendency over areas, but they have a superintendency over agents?—Yes, and therefore groups of members situated in certain areas.

7870. But to come back to this village again. The agent of the Britannic may have a certain number of members in that village?—Yes.

7871. He would report with respect to those members to the superintendent of the Britannic Assurance Company at Leamington?—Yes.

7872. The Pearl agent may also have some members whom he would visit in that particular village?—Yes.

7873. And he in like manner would report to the local superintendent of the Pearl?—Yes.

7874. Therefore there would be two superintendents superintending that particular village?—Yes.

7875. That is what I wanted to get at. By whom are these superintendents paid?—By the National Amalgamated.

7876. And in return for the payment, do they undertake to give any particular portion of their time to the work of the National Amalgamated?—Not any specified time.

7877. Their contract then is to perform certain duties?—Yes.

7878. The duty being the superintendence of the agents doing this particular work for the approved society?—That is one portion of their duty.

7879. And are the agents appointed by the approved society?—The way they act as representatives of the National Amalgamated is that we receive a form from them asking the National Amalgamated to allow them to act as representatives of the National Amalgamated, and the company offers no objection to their doing so.

7880. Does every one of the agents of each of the allied companies act as agent for the approved society?—No, not every one. It is optional to them.

7881. Have you refused any applications that you have had from any of the agents of the allied companies?—Not that I know of.

7882. Then generally every agent of each of the allied companies who chooses to act as representative

of the approved society may do so, upon making application to you?—Yes.

7883. Have you had any complaints from any of the agents to the effect that the work they are required to do with regard to the approved society militates against them in the work they are required to do for the company?—I do not know of any complaint of the agents that one interferes with the other—that the National Amalgamated interferes with the company's business, or the company's business interferes with the National Amalgamated.

7884. You told us that there was a very close connection between the National Amalgamated Approved Society and each one of these companies?—The National Amalgamated is formed by these ten allied companies, of course. That is the connection.

7885. Of course, your acquaintance is particularly with the Britannic. As a matter of fact has the association of the Britannic Assurance with the National Amalgamated Approved Society resulted in any appreciable increase of premium income?—I cannot reply to a question like that. I have no data to reply one way or the other.

7886. You do not know whether it has gone up in the past six months or not?—There is the ordinary increase going along of course in a normal way, but I am not prepared to say one way or the other.

7887. May I ask whether you have found, since people have become accustomed to paying for their insurance, that they have shown a tendency to get less in arrears than formerly?—I cannot reply to the question. I have no data, and I do not see how I could get the data.

7888. You could not answer the question generally, whether a great number of arrears have been paid?—No.

7889. Do the agents pay the sickness benefit at the same time as they call to collect the premium?—They pay the sickness benefit when due, and at varying times of the week I take it. I really do not know when exactly.

7890. Would they have any instructions to pay the sickness benefit on any particular day of the week?—No, they have instructions to pay the week's benefit when it becomes due.

7891. Supposing a member falls sick on Wednesday, and becomes entitled to benefit, does that mean that on the following Wednesday, the agent would be required to pay the benefit?—Yes. Our instructions are that the promptness in the payment of claims is imperative, and that where the member declares off before a full week's benefit is due, payment for the appropriate number of days must be made immediately on the receipt of the declaring-off note. Where, however, the illness is of longer duration, the first payment should be made when one full week's benefit is due.

7892. Do your agents pay out of the ordinary premium money belonging to the company in their possession? Do they pay the sickness benefit out of that money?—No. In all cases the superintendent has money of the National Amalgamated in hand, and they pay out of that money.

7893. But is there any sort of *contra* account, as between the agent and the superintendent?—No.

7894. May I take it that the agent presents an account form to the superintendent, showing what sickness benefit is payable to those who are on his book, and that the superintendent pays over to the agent the exact amount?—Yes, and asks him to get the receipts. The agent submits the claim to the superintendent, and they discuss it, and the superintendent will try to find out whether it is *bona fide*. If it is he will hand the agent the money.

7895. And that is done in every case?—As far as I know.

7896. Supposing the agent did complain that he had lost some business owing to vigilance on behalf of the approved society, would he be required to make good that business in the ordinary way?—Do you ask me that as actuary of the National Amalgamated, or as secretary of the Britannic?

7897. As secretary of the Britannic?—We do not require them to replace.

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7898. Then there is a distinction between lapses caused by the vigilance of agents in favour of the approved societies, and lapses made in the ordinary way? Is that so?—No distinction whatever.

7899. To clear this up, may I ask whether it is the custom for an agent who loses business to be required to make good that business? Is that the usual custom?—Speaking for the *Britannic*, no.

7900. The *Britannic* do not require their agents to do that in any case?—No.

7901. With regard to the self-government of your society, apparently the administration is conducted on very strict lines, and you seem to make a serious effort to administer the Act on the true principles of insurance, do you not?—We do.

7902. Do you attach any particular importance to what may happen when the valuation comes to be made out under section 36 of the Act?—Certainly.

7903. You have that in your mind all the time you are administering the benefits?—I do not know that we go about with the idea of valuation always in our mind. The idea is the success of the society.

7904. And, in your outline of evidence, you say "there is general misunderstanding of the fact that "benefits are payable only when incapable of work, "and inability to appreciate the fact that they have "had value for their contributions, whether they have "had benefit or not." That is in reply to a question as to the ignorance on the part of insured persons of the principles of insurance. Have you made any effort whatever to afford facilities to your members to educate themselves upon this important principle?—They may not be so ignorant as I make out. That is only an opinion of mine. The whole of the outside staff, sick visitors, agents, superintendents, all of them are educating the people.

7905. It is part of their business to educate the members?—They do educate the members; there is no doubt about it.

7906. Have the members any opportunity of meeting in order to consider the affairs of the society in which they are interested?—The annual meetings, according to the rules.

7907. Those are the only meetings?—Up to the present.

7908. Have they any opportunity at all of getting to know one another?—At the annual meetings, also the fact that they probably are all closely congregated together, and are members of one agency, and all know the agent, and probably would be acquainted with each other.

7909. Have they any opportunity of taking part in the management, or getting elected upon the managing body?—In accordance with the rules.

7910. May I take it from you that they have no opportunity until after the 30th day of June 1916?—I can only refer you to the rule.

7911. (*Chairman.*) That is what the actual rule says in effect?—On the question of annual meetings, there is Rule 23: "The first annual meeting of the society "shall be held on the last Monday in November 1913," &c. Then there is Rule 23 (3) "A meeting of the society "shall be held in every year in England, Scotland, "Ireland, and Wales," &c. Rule 23 (4) provides that "A special general meeting of the society shall be held "whenever the committee of management think expedient or whenever not less than one-tenth of the "members of the society, or one thousand members, "whichever number may be the lowest, qualified to "vote at a general meeting, so request in writing to "the secretary." There is plenty of opportunity there.

7912. (*Mr. Wright.*) The opportunity is to go to the annual general meeting, which is held where?—They have an opportunity of calling a special meeting whenever they want.

7913. Supposing a member is anxious to have any subject discussed, what he has to do is to go round and get a thousand signatures to a requisition, and the meeting can be called?—And if he complies with our rules, the meeting would be called.

7914. And compliance with your rules means obtaining a thousand signatures of his fellow members?—Presumably that is the reading.

7915. Has it occurred to you, or any of the members of the committee of management, that one way of checking excessive sick claims would possibly be by affording facilities to your members to take part in the government of the society?—Speaking for myself, I could not admit that proposition.

7916. I asked if it ever occurred to you that it should be so?—It has occurred to me, but I cannot admit it. I think nobody could manage our society better than the present body. That is my personal view.

7917. Are you acquainted with Section 23 of the Act: "No society shall receive the approval of the "Insurance Commissioners until it satisfies the following conditions. Its constitution must provide, to "the satisfaction of the Insurance Commission for its "affairs being subject to the absolute control of its "members." Would you say that the affairs of your society are subject to the absolute control of its members?—I say we have received the approval of the Insurance Commissions, and our rules have also received their approval.

7918. You throw the entire onus on the Insurance Commissioners?—That is my reply.

7919. Miss Macarthur asked you what would happen in the event of an appeal against the decision of the medical referee, and I understood you to refer her to Rule 43 relating to disputes. Was that so?—That is so on the question of disputes between the member and the society.

7920. Will you look at Rule 34: "Any member "claiming any benefit to which he is not entitled, or "continuing to receive any benefit after he has "ceased to be entitled thereto, or refusing unreasonably to submit to a surgical operation shall be fined." That is, it is considered an offence to claim benefit or to receive benefit after he has ceased to be entitled thereto. That is so is it not?—That is the rule.

7921. If an illness was so doubtful that you required an examination by a referee, would you consider that an offence under Rule 34?—No.

7922. Then it would, in the first instance come under the dispute Rule 43, and be decided by arbitration?—That is so.

7923. And the only appeal would be to the Commission?—Yes.

7924. With regard to the doctors, are you of opinion that the appointment of medical referees would tend to check excessive sickness claims?—Yes.

7925. By whom do you think the medical referee should be appointed?—By the Insurance Commissioners in the first place. We think that they are the primary body to do it.

7926. In these 700 cases in London and Bristol that you referred us to, I find that 35 per cent. of the persons refused to be examined by the medical referee. Will you admit that it is possible that some of these were genuine sickness cases who feared undergoing medical examination?—I do not think I am prepared to admit that real serious genuine sickness cases were thrown off.

7927. Not thrown off?—They preferred to go off the fund rather than face a medical examination. But I think that there were some cases of minor ailments, although I have no data whatever—it is only my own opinion—which would go off rather than face the doctor.

7928. At all events we can call that 35 per cent. doubtful cases. Some may have been genuine cases of persons suffering from illness, who feared a medical examination, and others may have been cases where they knew quite well that, if they saw a medical referee, he would declare them off. Do you not think that it would be more satisfactory if, instead of relying on medical referees, you had such a system of medical treatment, that you could trust the doctor who originally examined the case?—Certainly.

7929. That would be preferable?—If your first line of defence is impregnable, you do not want any second line in the shape of medical referees.

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7930. As a matter of fact you, as an administrator of the society, have not had very much faith in doctors' certificates?—That is too wide a statement.

7931. You found in London and Bristol alone 700 cases in which you have doubted the reliability of certificates which have been furnished to you by panel doctors?—Yes.

7932. You doubted them sufficiently to send the persons to medical referees?—Certainly.

7933. In those cases we can say that in 32 per cent. of them the referee found that the doctor's certificate was not reliable?—That is about correct, yes. But do you realise that it is 700 out of 49,000 claims per week?

7934. Quite so. Have you any suggestion as to how the administration of medical benefit could be improved?—That is an extremely difficult question to answer. I am personally rather favourably inclined to a State medical service with full-time appointments by the Insurance Commissioners. But there are a lot of pitfalls, and a lot of arguments may be brought against it.

7935. You think the present system of administration unsatisfactory?—It is not as satisfactory as could be desired.

7936. In your opinion, are the doctors by reason of the system almost compelled to treat their patients very leniently?—Personally, I think there is that tendency.

7937. You think the knowledge that they may lose a patient at the end of twelve months tends to make them lenient?—Consciously or unconsciously, I think it does.

7938. And for that reason certificates are very easily obtained?—In some cases very easily obtained.

7939. Have you had any report from your agents at all as to the proportion of your members who go to the doctor and receive treatment without, at the same time, receiving a certificate declaring them incapable of work?—I have no evidence whatever.

7940. Do you think that it would be useful if you caused some inquiries to be made?—I do not quite follow. You want to obtain information as to members who are receiving medical treatment?—

7941. Without declaring on the funds?—Would you not want to confine yourself to members who are incapable of work, and who do not declare on the funds?

7942. I wanted to know whether you can tell us whether any appreciable number of your members who felt a little bit seedy went to the doctor, and got treatment without at the same time asking for a certificate in order to claim the sickness benefit?—I can give no information whatever.

7943. (Mr. Davies.) I think your complaint is generally against women?—Yes.

7944. You have given us facts in some instances which have related to both men and women?—Generally speaking, it is against the women.

7945. Seeing that you have not given us much evidence in regard to the men, are you satisfied that you are not experiencing malingering to any great extent amongst men?—We are more or less satisfied that malingering amongst men is not widespread.

7946. What do you mean by more or less? Can you set out any proportion?—The evidence on the female side entirely outweighs any evidence I can produce of malingering on the male side. Also our experience of the males is practically normal, and what was expected.

7947. You expected a certain amount, and you have not got anything more?—That is so.

7948. I notice that you have 852,000 men in England, and 530,000 women. As the malingering amongst women seems nearly a half heavier than men, though you have a much less membership, can you get a comparison of that experience? Are the cases as numerous for the 500,000 as for the 800,000?—They are more numerous in the case of females. The figures I have given you show that the cases apply more to females than to males.

7949. Suppose that you had 800,000 of each, the proportion would be one for men against two for women.

Is that your average, or do you get three against one man?—I could not give an average like that, but there is evidence in a smaller membership of females of more malingering than in a larger membership of males.

7950. You just make the broad statement?—I can give no ratio. Of the members declared off by the sick visitors, 60 per cent. were females with a membership of 600,000, and 40 per cent. were males with a membership of a million.

7951. Can you help us any further with regard to what you consider to be the excess of the women as against the men?—No; I gave you the three outstanding points.

7952. You cannot tell us how many married women you have?—No, I cannot.

7953. Have you had any complaint from any centre with regard to young married women who go to work for a time after they have been married, and who on becoming pregnant, go to the doctor and get a certificate, and stay on the fund until the child is born?—That is not confined to any one special district. It is a very grave and difficult question for the society to deal with, and there is no doubt that we are being hit on our sickness side on that point.

7954. Do you find many who go on by reason of sickness, and at the end of the time, 26 weeks or less, tell you that they are not going to work any more?—I cannot recall any general cases of that kind.

7955. With regard to female sickness in Manchester you cited two particular instances. Can you give us any information which caused you to draw these two deductions between Manchester and Bolton? You said that it was noticed that where doctors are paid per visit and not *per capita*, the sickness experience is bad. And you go on to set out these two particular instances?—That is so. As Manchester and Salford are the only places where the payment per visit system is in vogue, we had to go to Manchester; and from my point of view it is the same for me whether I take Bolton or the whole society's experience, or whatever experience I take. The Manchester experience was bad as regards sickness, but more especially as regards duration of sickness—the average length of time the member was on the funds.

7956. You want to suggest that the average duration of sickness arises from the fact that they have payment per attendance?—I want to suggest that payment per attendance has an effect on the duration of illness.

7957. And you gathered that fact simply from returns which have been sent you, without giving the incidence of sickness or the kind of employment, or any other circumstance?—We do not base our opinion on that fact entirely. We base it on the reports of our superintendents in Manchester. We also base it on the report of the clerk who is in charge of the Manchester district at Euston Square, who is himself a Manchester man, and goes back to Manchester to spend his holidays there, and who takes a very great interest in this thing, and I understand, moves about amongst the representatives and superintendents of the society, gleaning information on this very question.

7958. You say that you have had many reports?—We have had several reports from our superintendents in Manchester.

7959. If you have had many reports, would you consider the matter as being serious, or would you take it as a matter of form?—When I say many, we have not so many superintendents in Manchester to start with.

7960. You have 10 societies, and each society has a superintendent?—At least.

7961. If you had one report from each superintendent, would you consider the position serious?—We should think it was a matter which required attention to be given to it.

7962. And have you made any overtures to the Manchester Insurance Committee in reference to the matter?—No, we have not.

7963. Having regard to what you consider its seriousness, do you think that it would have been wise to communicate with the people who had control of this? If you had applied to the insurance committee, setting out your case, possibly it would have been

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inquired into, and they would have found out whether it was correct or otherwise, and possibly have produced some system whereby it could have been remedied?—From your point of view that is so.

7964. You have never made any complaint, though you considered it serious?—Not direct to the insurance committee.

7965. Do you understand the system that obtains in Manchester?—I believe I do.

7966. And in connection with the doctors, what obtains with regard to the member and the doctor? Are they tied to any particular doctor?—I understand, according to the regulations, they are not entitled to make a change.

7967. I am not asking what is in the regulations. Do you understand what is operating in Manchester, and whether an insured person is tied to any one doctor in Manchester?—In practice, I believe not.

7968. You cannot give it as an absolute fact?—Yes, I have one case here. We have reports from our sick inspector, from this clerk I referred to, at the registered office, and from several superintendents. I have only one case here—an actual case which came in yesterday while I was before the committee. A certain doctor declared that a man would be fit next Saturday, having suffered from lumbago. But on the next Saturday, the man went to another doctor and obtained a certificate that he was suffering from debility following lumbago.

7969. Is it quite fair to give us that information here?—It only came in yesterday afternoon.

7970. That is one case out of how many? You have 60,000 members in Manchester, have you not?—Yes, we have.

7971. And you have one case to give us?—It happened to be given to me this morning when I returned to the office. These are not the only cases.

7972. The point I am making is, that, having had these serious cases, where there has been a change of doctor of that character, you have not made overtures at all to the committee to inquire into it?—The practice is that the superintendent sends in the special cases, and asks what he is to do under the circumstances, and pays no more until he hears.

7973. May I put it to you in this way, that they have a free choice of doctors, and they have a right, if the doctor does not deal right with them to-day, to go to another to-morrow. That is the system in Manchester. But, at the same time, they have a special committee of doctors, who would take any case of the character that is supposed to be glaring, where one person has been declared off by one doctor, but is put on the fund by another doctor?—Bad cases of that kind are submitted, where there is evidence of very bad faith on the part of the doctor.

7974. What you state in your evidence is that you notice that where doctors are paid per visit and not *per capita*, the sickness experience is bad, and if the sickness experience is bad, and that information does not go to the committee, how is the committee to deal with complaints? And if these complaints are not made, does it not mean that there may be excessive sickness claims which could otherwise have been checked, and that excessive sickness claims arise from the fact that the society has not adopted those methods which would have allowed them to check that excess?—It may do, but I do not admit that as applying to the National Amalgamated.

7975. What I asked was, if you had made a complaint to the committee?—Not that I know of personally.

7976. You make a comparison with a certain system, and yet make no complaint, and set up no fact in connection with the system other than a statement?—Because although it was our belief that this was the fact, it was not until this inquiry came to be held, that we really investigated specially Manchester and Salford.

7977. So there may be some excessive sickness by reason of not having investigated the facts previously?—I do not admit that at all. I do not see how it affects excessive sickness.

7978. I notice also in connection with doctors, that you said that if doctors did their duty, they would lose their practice. Is that your considered opinion?—That is my conviction, and it is borne out by what doctors in several parts of the country have told me.

7979. With regard to your members, are they supplied with rules?—Not free, only when they apply for them; that is to say, a full book of rules.

7980. Can you tell us whether your members have been purchasing rules freely?—I cannot say.

7981. May that be the reason why there is this difficulty with regard to the understanding of insurance. Seeing that they have never been insured before, especially the women, and that they have no rules and no guidance given them, they may in some cases be asking for sickness benefit and being paid, whereas otherwise the cases might be avoided?—I stated in my evidence yesterday, that each member who declares on the fund is supplied with a full extract of all the rules which govern conduct during sickness.

7982. When they declare on the fund?—Yes.

7983. Is that given them immediately when they hand in the certificate to the agent?—Yes.

7984. They then get this copy of rules, and know exactly where they are?—Yes, and our agent and sick visitor are both used from an educational point of view to teach them these rules, and on the first breach of these rules we should not suspend a member.

7985. But in general they do not get the rules until they go on sick?—They only get them when they apply for them, or when they go on sick they have handed to them a pamphlet, setting out all the rules governing conduct during sickness.

7986. Could you say that in every case where a person goes on sick those rules are handed to him immediately?—Yes.

7987. How often are they visited in sickness?—I could not say. We aim for once a week, but they are not visited by a sick visitor once a week, although the agent is there once or twice a week himself.

7988. If it is a person who does not happen to be insured in any one of your societies, he would not go there?—He would go there to pay the benefit.

7989. The agent pays the benefit independent of any other visitor?—Absolutely. They do not meet, and do not know one another.

7990. Would it be to the interest of the collector to get this person off quickly?—It is to the interest of the collector to do his duty. That is all I am prepared to say.

7991. That is a broad statement, but you do not define that duty?—He will and does do his duty to the society, and carries out his instructions. That is my belief.

7992. And you have no complaints come through to you of cases where this is really not carried through in accordance with what you now suggest?—None have come through to me.

7993. Is there any difficulty at all in district reports coming through to you?—I cannot control everything in the society. Some of these things may happen, and may not get to me. I can only speak of what does get through to me.

7994-5. Have you received any reports from insurance committees as to complaints that have been made to them about your society at all?—I have not seen any.

7996. Suppose there is a person who complains that he is ignorant of insurance, and has the impression that the insurance committee is there to fulfil the obligations of the society. The complaint, instead of going to the society, is sent to the insurance committee which says, "This is not our business; it is a question of sick pay; we will send it on to the society." It may be a complaint against the agent because the agent has not paid. If that letter is sent on—it may be by a person on the insurance committee or by an officer of the society—would it come to you?—If there were a complaint against the society, it would come before the small claims sub-committee.

7997. It would come right up to you?—Yes.

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7998. You say that you anticipate that all those would come right through to you, and that the complaint would receive proper attention?—Emphatically.

7999. And that it would be impossible for a claim of that description not to reach you?—Of course, I might not be there the day it came.

8000. I mean your office?—Certainly.

8001. With regard to these visitors, may I ask whether they are paid separate remuneration besides the pay they get from their ordinary industrial company?—You are under a misapprehension; they have no connection with the ordinary industrial company.

8002. These gentlemen are employed by the companies? You said that the agents were the people who paid the money, and that they acted as visitors?—We have agents, and we have sick visitors.

8003. I am speaking of the gentlemen who have part service with the company and part service with the National Amalgamated Society. Do these people receive any remuneration from the National Amalgamated?—Certainly.

8004. So that they receive part from the company, and part from the National Amalgamated?—Most of it from the company, as they do most for the company, and something from the society for what work they do. They are representatives of the society.

8005. Can you give us any idea of how the payment is covered by work done for the National Amalgamated?—We have a set scale to pay the agent according to the number of members he has, and the work is in accordance with the size of his membership.

8006. He is paid according to the members he has?—The number of members. It practically comes to that.

8007. Whether they are sick or not?—Certainly.

8008-9. And when they are sick, he must pay the sick pay?—Certainly.

8010. With regard to the sickness during holiday weeks, do you want the Committee to accept the opinion that this extra payment during that period was general, and all over the country?—Certainly, it was the experience of the whole society, and not as shown in any particular district.

8011. You have not tried to dissect the figures and see whether any particular area was responsible for it?—No, I have not.

8012. The reason I ask is this: you speak of bank holiday week. In many parts of the country they only have the bank holiday, but if you go to Lancashire you get the whole place practically shut down. The excessive sickness claims you speak of with regard to holiday seasons may therefore apply to certain towns, and not be general?—I cannot say whether it is so or not. The experience of the society is that for the August bank holiday week our sickness goes up with an abnormal jump.

8013. So that if it were thoroughly examined the complaint against women generally for holiday sickness might not be true, but it might be centred in certain cities?—It might be that Manchester and Lancashire where there is the holiday system, were responsible for a large proportion of it, but the bank holiday week in industrial centres is very often used as a holiday.

8014. If you confined your statement to that point, we might find some reason why it exists, but, if it is a general statement, there are towns which do not have a holiday, and which may not have holiday sickness at all?—I am only prepared to say that the experience is that in bank holiday weeks the sickness shows an extraordinary jump.

8015. (Mr. Watson.) I have one or two questions with regard to Bolton and Manchester. What is the number of members in Bolton roughly?—8,000 men and 7,000 women in round figures.

8016. The number is large enough in your opinion, as an actuary, to warrant you in drawing conclusions from a single quarter?—I do not say that I could say that they are, but they are as much as we can get, and we produce them to prove our point.

8017. I see that the average duration in Manchester is just under seven weeks, and in Bolton just under six weeks?—Yes.

8018. Has not Bolton a greater proportion of married women employed than Manchester?—I could not say exactly. It is possible that it has.

8019. If it has, it would have a very much larger number claiming sickness benefit for the four weeks after confinement?—That would be so.

8020. And after confinement the general duration of sickness is four weeks?—I have no data on that.

8021. What is your practice?—To pay as long as the member is sick. We do not govern the benefit by any limitation of four weeks whatever.

8022. Have you any knowledge as to what the average length of time is, for which you pay after confinement?—I have no knowledge whatever.

8023. Supposing that the average duration of that particular class of claim is less than the average, and supposing that you have more of those claims in Bolton than you have in Manchester, would not that go a long way to account for the difference between Manchester and Bolton without seeking any further cause?—That is so.

8024. Do you not think, in view of the possibility that the number of married women in Bolton is greater in proportion than it is in Manchester, that it is very dangerous to use these figures as evidence for one system of medical benefit as against another?—That might be so as compared with Bolton, but compared with the whole society you get the difference again.

8025. What I am putting to you is this: You come to us as an actuary, and any figures you give to us will naturally be vested with whatever weight may attach to the use of figures when employed by an actuary, and it is rather a serious matter to cite these figures as proving a particular point on the question of the doctors' remuneration, when they may be due to some totally different and fully explainable cause in another district?—Yes, there is that danger, but if you take the experience you will remember that I said that for females the average duration for Bolton was six weeks, and for Manchester seven weeks, so that there you have a discrepancy again.

8026-7. Reverting to the question for one moment of the claims of married women, do you think that married women's claims are more numerous than those of single women, or does the excess arise from greater length of sickness claims among married women?—I should be inclined to say that the claims are both more, and of longer duration. That is only an opinion. I have got no real facts.

8028. You would not set that opinion against the argument I have just suggested to you in the Bolton case that the confinement claims of married women are less—you would not say that the other claims of married women would balance it? I suggested that possibly the Bolton claims are shorter, because there are very many more married women in Bolton than in Manchester, and because the women's claims include the confinement claims, which, generally speaking, run to about four weeks, but is it your opinion that the other claims that married women make are of longer duration than those of single women?—I do not know that I should say the other claims. I take the claims as a whole.

8029. You think, taking the claims of married women as a whole, that their duration is longer than those of single women?—Yes.

8030. Therefore, if Bolton has a greater proportion of married women than Manchester, it ought to have a longer duration of sickness?—Yes, that is only my opinion. I have got no facts to back it up.

8031. I think that it is important to have the whole thing for what it is worth?—You have again the duration for females for the whole society to compare with Manchester.

8032. And that is six weeks against seven?—Yes. I have now the figures that you wanted for England alone. Males come out at 2.4, and females at 3.4.

8033. So that the broad fact as compared with the estimate is that the men in England are slightly under expectation?—That is so.

8034. While the women are just double the expectation?—That is about the position.

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8035. But you do not know to what extent the excess of women may be due to having more than the average proportion of married women?—No, we cannot tell anything on that until we have got our reserve cards written. Of course, we intend as soon as they are written to thoroughly classify the thing and see.

8036. You gave us the figure for women's sickness experience as 3½d. per member per week?—Yes, for the quarter ending October 11th.

8037. Can you separate that into married and single women?—I cannot as yet; I have no data whatever.

8038. Can you give us the men's figures?—2s. 2½d. for the quarter, or just about 2d. per member. That is for the whole society, England, Scotland, Ireland, and Wales.

8039. Have you the figures for England separately?—I could give them to you afterwards. I should have to work them out.

8040. You told us that 2,282 men and 1,774 women have run through their 26 weeks' sickness benefit?—Yes.

8041. Most of these members must have begun to draw sickness benefit quite soon after sickness benefit began?—We had quite a fair number of members who came on the fund immediately the benefits began, and ran out their 26 weeks.

8042. Did you take any steps to ascertain whether those people had any right to be insured under the Act? Did you satisfy yourself that they not merely answered the questions of the National Amalgamated Society properly, but also that they had any right to be insured under the Act?—Of course; they had to give the names and addresses of their employers on the proposal in all cases, and I have no reason for believing that any of them would get in, if they were not qualified to be insured.

8043. Have you any reason to think that any of them gave the names of bogus employers?—I have no reason to think that at all.

8044. Have you any reason to think that there was any collusion between them, and the person who purported to be their employer?—No. I have no reason to believe so.

8045. Although you say that there were a large number of people who ran through their sickness benefit, you do not think that any of them were in an actual condition of sickness at the commencement of the Act, and were not genuinely employed?—I have no evidence to that effect.

8046. What proof of insurability do you require in the case of married women?—Nothing beyond the name and address of the employer.

8047. You do require the name and address of the employer?—In every case.

8048. If you are satisfied that the majority of these people, if not the whole of them, were compelled and entitled to be insured, do you feel that you have any particular grievance because a certain number of people developed into bad lives?—We have no grievance at all on that score.

8049. You consider that the reserve values granted to the societies protect you against bad lives?—Presumably they do. As to whether on the female side they will protect us against what we are experiencing, I have my doubts.

8050. That is on another point, but, assuming the sufficiency of the tables, you work on an expectation of sickness which is based upon good and bad lives?—Yes.

8051. And, in your opinion, no society is damaged unless it has more than its share of bad lives?—That is so.

8052. May I ask you what experience you had personally, and as an actuary of sickness insurance, before the Act commenced?—Very little practical experience.

8053. So that when you express the opinion that the actuarial basis was insufficient, you are not speaking from your experience as an actuary?—I give it for what it is worth. My training was conducted in Mr. Ackland's office, where a large amount of sickness

and friendly society work was carried on—small societies chiefly, that is to say.

8054. Did you think that the basis of the Act in respect of women's sickness was insufficient before the National Amalgamated Society began business?—I can say that all along, before the benefits began, I thought it would be found that the basis for the females would be wrong. That is not necessarily, if at all, actuarially. It is more from the business side of it. I have come to that conclusion more from business reasoning than from actuarial reasoning.

8055. Before the Act or after?—During the progress of the Act.

8056. You did not think that it was inadvisable to form a society, which was going to consist very largely of women, when you were faced with what you believed to be an inevitable failure?—Of course I did not form the society to start with, but when setting up the National Amalgamated Society we had no idea that we should get such a big proportion of females at the outset.

8057. On the question of medical referees, I gather from your evidence generally that you are in favour of a large use being made of them?—Yes, as a society we are.

8058–60. From what particular fund do you think that the medical referees should be paid?—The sickness benefit fund, but we shall of course pay it from the administration. We, as a society, think that one might argue very logically that the cost of sick visitation, which is employed solely for the purpose of controlling sickness benefit, and in a lesser degree the medical referees, could logically be charged to the sickness benefit fund.

8061. Do you suggest that as an actuary?—No, I do not, but that is how it appears to business men.

8062. What is the object of a medical referee?—To help the society in the suppression of unjustifiable claims.

8063. Unjustifiable claims are not provided for in the actuarial basis of the Act. They are not legal claims?—That is so.

8064. Why should payments made by a society in resisting illegal claims, which surely is a part of its administration, be paid from the sickness benefit fund?—I might agree from an actuarial point of view that it should not be; but the committee of management look at it from the point of view that they are spending this money in the sifting of sick claims. They can hardly be expected to discuss the question as deeply as you have gone into it.

8065. No, but your own conviction is that it is not properly an item to be charged against the sickness benefit fund?—Certainly.

8066. You yourself brought up the figure of 86,000 maternity claims. Is the number 86,000?—86,200 or 86,300 odd.

8067. Were your 1,000,000 men members for the most part not insured previously for sickness benefit?—I should certainly say so.

8068. Do they belong generally speaking to a class of population you would describe as a low-wage class?—No. I do not think that I could say that.

8069. How were they canvassed for the society? Were they personally canvassed for the most part?—Personally canvassed for the most part so far as I know. I can give no actual data on that point. The only thing I can think of is that the fact of our drawing the greater portion of our members from the industrial centres may lead us to have a preponderance of married men, and if that is so, we should probably have them both.

8070. You canvassed at the homes?—Yes.

8071–2. Therefore you have a better chance of getting hold of the married men than of the single men?—No, not necessarily, because they would be canvassing in the evening, and I dare say that you would find that if an agent got into a house, and got the father and mother, he would be almost sure to get all the single members of the family as well.

8073. You really have no theory to offer for this apparently large number of maternity cases?—The only theory is that our members are drawn from

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industrial centres, where I think more married women are employed, and we have, therefore, more married men at the same time.

8074. You have got more than your proportion of married men?—Quite probably that is so, but we are not at all certain. We have not been able to get out any data.

8075. (*Miss Wilson.*) In the case of an insured married woman in receipt of sickness benefit after confinement, and who has been attended by a midwife, do you pay on the midwife's certificate?—Yes.

8076. For any length of time?—No. I believe it is two weeks for which we accept her certificate.*

8077. If the member claims sickness benefit for the other two weeks, she has got to get a doctor's certificate?—That is so.

8078. And in the ordinary case, she would have to pay for the doctor's certificate?—I do not think so. She would be entitled to that from her panel doctor, would she not?

8079. Are you sure that that is the case?—I believe that to be so. She is on the panel of that doctor, and she can get that certificate from him.

8080. You have no information to the contrary?—No, I have not.

8081. It has not struck you that, in some cases, it might be a deterrent to the woman from putting in a claim, because she had to pay for the certificate?—It is quite a new idea that she should have to pay.

8082. No case of that kind has ever been brought to your notice?—No.

8083-4. You said that a good many of your sick visitors were nurses, and that they had had a certain amount of training?—Yes.

8085. Have you got them through nursing associations?—I really could not say exactly how we got into touch with these ladies, but I know that the department informs me that they are largely drawn from hospital and maternity nurses.

8086. You do not know if the nursing associations would consider it professional for them to take your work, that is, whether they would consider it nursing work?—I do not think that they would.

8087. On what ground do you think that they would not recognise it as professional for a nurse to do it?—I think that they would say that the duties of a nurse, belonging to a nursing institution, is to nurse patients, and not to visit them purely to settle the question as to whether in their view the member is incapable of work or not.

8088. So that probably you have not got these nurses from nursing institutions?—I think so, but if so, they have severed their connection with the institutions.

8089. You have not got them through the agency of the institution? They have been nurses who were unemployed?—I should say either that, or that they had applied to us for the position, while still in the employment of a nursing institution, I really cannot say definitely.

8090. I suppose that in a good many cases your agents have known the members a long time?—Yes.

8091. Very often they know more about them than the sick visitor?—Obviously, it must be so if the sick visitor is new.

8092-3. Have you known of any cases in which the sick visitor has reported a member to you for expulsion, and the agent has entered a protest?—No.

8094. You have no knowledge of any cases in which there has been a disagreement between the agent and a sick visitor?—I have knowledge of one case which I had myself to investigate, and I found that there was absolutely nothing in it at all.

8095. Do you mean that they really agreed?—The statement of the sick visitor on the one hand was quite unjustified.

8096. Therefore the agent was backing up the member?—The agent was carrying out his duty properly. The statement was that the agent was not

carrying out his duty, but on investigation I found that he was.

8097. That was not the kind of case I was thinking of. You said, in replying to Miss Macarthur, that there were certain cases in which, on the information of your sick visitors, the members were expelled for having made material misstatements as to their health?—Yes, but in those cases the agent has no say whatever. He is not consulted in any of those cases. Before anything is done we get in writing from the member a clear admission of the misstatement.

8098-9. It has always been admitted by the member?—In every case.

8100. Have they always admitted that it was a wilful misstatement?—I should not have said that perhaps, because in some cases we expelled them although they offered as an explanation the fact that they did not think it was necessary, or something like that. At the same time we think that they did do it knowingly, and if we believe that these people do withhold this information knowingly, we expel them, and leave them to take their case to the higher court, because in every letter to the member of our intention to expel him, we give the full extract of our rules showing exactly the method and the course of procedure he must take, if he wants to appeal against our decision.

8101. You think that it is always quite clear to them? You believe it was wilful misstatement?—We do, because on our letter we use the word "wilful."

8102. And although you say you have not consulted your agents, you know of no cases in which your agent's information was different from that of the sick visitor?—No. I am aware of no cases of that kind.

8103. The agents would have been the people who would have got these members for you, would they not?—Yes.

8104. And in some cases would have helped them in completing the forms?—Yes.

8105. And would have had a good deal of knowledge about them for several years perhaps?—In a number of cases that would be so.

8106. Do you never use your agent's information to check that of your sick visitor? The agent may be the person with the more general knowledge of the member's character, and so on?—They would supply rather different information. The information for the expulsion would be obtained by the sick visitor in conversation with the member. When she is sick, she would probably ask her if she had had this complaint before, or if she had had some trouble, whereas the agent would ask the person. "What illness have you had in the past three years?"

8107. But if the agent had helped the member to fill in the form, is it not conceivable that he might have some views, as to whether the misstatements had been wilful or not?—That might be so.

8108. I did not quite understand the reply of yours to Miss Macarthur in which you said that all complaints would come up to your sub-committee, unless they had been amicably settled?—I meant to say that there must in a huge organisation like ours be complaints coming in every day, but they go through the department first of all, and then go to the head of the department, and it is only those which cannot be settled, which come before the claims sub-committee.

8109. There is a difference between claims which have been settled, and claims which have been amicably settled, is there not?—Certainly.

8110. In replying to Miss Macarthur, you suggested that you felt that your members were perfectly satisfied with all settlements of the claims which had not come through to your sub-committee, and I only wondered how you had that knowledge?—Because they are dealt with by the head of the claims department. He is the man who finally deals with those, and he settles all he can amicably.

8111. What do you mean by "amicably"?—Well, he satisfies the member that the attitude adopted by the society is correct.

8112. When you say that the claims are amicably settled, you assume that they are amicably settled

* If, however, the midwife is actually in attendance, we accept her certificate for four weeks.—J. A. J.

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because you have heard no more of them? Is that so? —To a certain extent that is so.

8113. Do you think that it is conceivable that in the case of some of these people, especially the women, who are at the time perhaps ill and not very good at writing letters and are timid, they may not pursue the claim further without being satisfied with your decision?—Certainly, there may be some isolated cases of that kind, but the clerks and the men doing this work are trying to hold the scales of justice between the member and the society quite unbiassed.

8114-5. I suppose all your agents are not lawyers, and some of them perhaps have a somewhat imperfect knowledge of the Insurance Act?—They may have a somewhat imperfect knowledge of it, but they certainly have a better knowledge than the general public.

8116. Have you had many complaints at your head office about cases in which your agents have refused claims, simply through an ignorance of the Act? I mean such cases as refusing sickness benefit for longer than the month after confinement, believing that it was the law that married insured women could only have sickness benefit for a month?—I do not know of anything like that.

8117. You have not had a large number of complaints?—We have had one or two complaints. The question of arrears was rather misunderstood at first, but all those cases were quite soon settled. As soon as it came to light, the man would submit it to know what to do, and we had to point out that he must pay at once. Those cases would all be settled straight away.

8118. You said that you regarded your sick visitors as important agents in educating your members in the knowledge of the Act. Do they carry a book of rules round with them?—Yes, educating our members in the knowledge of the rules governing sickness benefit more especially.

8119. But do they explain to them what remedy they have in appeal, and the procedure necessary for appeal?—That is done from the head office.

8120. Wherever the benefit is stopped?—Oh no, not on a question of stopping benefit. I was going back to expulsions.

8121. In an ordinary case in which the benefit is stopped, the member would not always know what to do, unless he had happened to have bought a copy of the rules?—They would not know, but there are certain rules which explain the procedure in the pamphlet I have often referred to as being handed to each member who is sick.

8122. Does that explain the procedure to be followed, if they are discontented with the decision of suspension?—It gives them a copy of certain rules, one of which is, "If any member or past member of the society is dissatisfied with the action of the committee or secretary, or other duly authorised person arising out of the report of the medical examiner, or of his refusal to attend medical examination, he may require the committee to submit his case to the arbitration of a medical umpire selected by himself, or by his medical attendant, from a list submitted by the secretary or other duly authorised person."

8123. (Chairman.) It sets out the rule?—Yes.

8124. What rule is that?—Rule 13 (29) (a) and (b).

8125. Is there a heading to it on the pamphlet?—There is not really a heading. It begins "The attention of members claiming sickness benefit is directed to the following extracts from the society's rules which must be strictly adhered to. Members breaking any one of the rules referred to will be liable to the appropriate penalty set out hereunder." The first heading is: "Sickness and Disablement Benefits." Then we set out the rule, and we also set out the rule in case there is a dispute.

8126. Is it put in black letters "Dispute," or anything of that kind, to draw their attention to it?—No, all we do is at the side to state the number of the rule.

8127. (Miss Wilson.) But it sets out the whole rule as regards arbitrations, and appeals to the Commission?—That is so.

8128. And the notice which it is necessary to give of appeal? Have you a rule that it is necessary for a

member to give so many days' notice if he intends to appeal?—I do not know that there is any restriction as to days.

8129. If a member wants to appeal, are all the necessary directions contained in that pamphlet, or is it necessary for him also to get a copy of your rules and consult them?—I do not know that we have a period limiting the time during which notice may be given. If we have, we have never exercised that limiting period.

8130. (Chairman.) Those are the two material rules: Rule 34 (4) "An insured member shall have the right, subject to the rule relating to disputes, to appeal to the Commission against any decision imposing a penalty upon him or suspending him from benefits." The rule relating to disputes says: "Any party to such a dispute arising under the Act may, in such cases and in such manner as the Commission prescribe, appeal from such decision to the Commission." That is all there is about it?—We do not mention that about the appeal to the Commissioners. Rule 22 (8) is another one, but none of them mention notice.

8131. Will you read that rule?—"Any member shall have the right, subject to the rule relating to disputes, to appeal to the Commission against any decision expelling him from the society."

8132. Is all that set out in your document?—No, not all.

8133. (Miss Wilson.) There is no reference to an appeal to the Commission in the pamphlet?—I cannot see one for the moment.

8134. Have you any rule about the cost of arbitration?—Yes.

8135. Is that set out?—That is set out. That is Rule 13 (29) (b). Where he is dissatisfied with the action of the committee or secretary or other duly authorised person, &c.

8136. (Chairman.) What has he got to do then?—He may require the committee to submit his case to the arbitration of a medical umpire selected by himself, or by his medical attendant from a list submitted by the secretary or other duly authorised person. "Such person shall deposit the sum of not more than 11. towards the cost of such arbitration. Should the umpire decide in the member's favour, such deposit shall be refunded, and any action of the committee shall be reversed, or amended in such manner as the umpire may decide. Should the decision be against the member, the action of the committee shall be confirmed, the deposit shall be forfeited, and the umpire may require the member to pay the whole of the expenses of the arbitration, which shall in such case be recoverable at law as a debt due from such member to the society."

8137. (Miss Wilson.) That is only an appeal to a medical referee. I was thinking of other cases. Let us, for the sake of argument, suppose that one of your sick visitors found a woman dusting, and told you that the woman was doing housework, and you withheld benefit; if in that case the woman wanted to appeal against your decision, because she thought it was unreasonable, would the proceedings for that be all set out in that pamphlet?—In the first place, I cannot admit that we should strike her off the fund for dusting.

8138. I am only giving that as an instance of something not medical?—If I let that go by I might be taken —

8139. (Chairman.) Do not misunderstand what Miss Wilson is asking. Take any case you like.

8140. (Miss Wilson.) I thought I had carefully guarded myself by putting it in that form. I was only thinking of an example not medical. I was asking a question about appeals in a much more general form than you have answered it?—I understand. The pamphlet does not set out that appeal.

8141. So that they would not know exactly how to proceed without your rules in such cases?—Probably not.

8142. Do you take any steps to guard yourselves against paying sickness benefit in cases where people are receiving compensation for accidents, or

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industrial diseases?—Yes, on that point we have set up a very elaborate machinery, whereby we give all our members free legal advice, and they have all been given a pamphlet setting out the advantages of this, and also the provisions of the Act, which point out about the society being relieved under certain conditions of the payment of benefit. The number of cases submitted to our legal department averages 560 per week.

8143. And all those are compensation cases?—Those are all cases in which the member, in addition to furnishing the declaring-on note, sends what we call our accident form, which gives us the particulars of the accident which he states causes the illness or incapacity.

8144. Does that apply to industrial diseases?—Yes.

8145. In some cases would you get information from your sick visitors or agents leading you to suppose that it was an accident due to occupation?—That is so. We get quite a number of cases in which our agent, superintendent, or visitor reports that in their belief this is a compensation case, and we at once institute inquiries.

8146-8. When you say that you give free legal advice, you mean that you fight the cases for your members as a trade union would do?—I believe that is so. The total cases to date in which the legal department have taken some sort of action, not necessarily to the courts, are over 21,000.

8149. But in which they have given advice, and helped the member with the claim?—That is so.

8150. Those would not all be disputed claims, but merely claims put in on behalf of members?—That is so. In a certain percentage of the cases, the legal department has to decide a member's rights, and to tell him that in their opinion he has no claim at common law, or under the Workman's Compensation Act.

8151. And you have set up that legal department because you thought that it would assist you in keeping the claims down?—That is so, and we also set it up in order to assist our members.

8152. On purely philanthropic grounds?—Both. There are two influences at work.

8153-4. Did you set it up from the beginning or lately?—Right from the beginning. All these things were set up—the sick visitation and the legal department—in readiness for the time when the claims commenced.

8155. Are you in the habit in such cases of paying the sickness benefit at once, and then recovering it when the employer has settled the claim?—We pay sickness benefit in such cases by way of advance, and the member signs receipts, that it is by way of advance and recoverable from any compensation obtained. If we can obtain no compensation, it continues as ordinary sickness benefit.

8156. (*Dr. Smith Whitaker.*) You have been asked questions two or three times about something in which we find ourselves in some difficulty. It is the question of the sense in which incapacity for work is understood. We all have to deal with this thing quite apart from the legal interpretation which may have to be decided in various ways, as to what the Act means as applied to any particular case. Taking the Act as it stands, and for whatever it may be decided to mean in a particular case, you have the question whether the person is rendered incapable by reason of some specific disease, or by some bodily or mental disablement, and I take it that the first question on which the society has to make up its mind on such evidence as it may have, is what view it ought to take of a particular case in the light of those words. It was put to you, I think by Dr. Shaw, that the doctor was the person to say whether the man was incapable of work or not. Perhaps you as an administrator, might not accept that view. You might take the view that the doctor merely gives evidence, on which you have to act?—That is so.

8157. The doctor's certificate contains two points: first, the statement as to whether the person is, in the doctor's judgment, ill, that is, suffering from some specific disease, or some bodily or mental disable-

ment; and, secondly, as to whether he is, in the doctor's judgment, incapable of work. I think those are the two points to which the certificate goes, and you, having that certificate before you, and such other evidence as you may get by the help of sick visitors or any other machinery you may employ, have to come to a conclusion as to whether that is a person to whom you ought to pay the benefit?—That is so.

8158. Of course, in the case of a man with a broken leg you would have no difficulty?—None whatever.

8159. Then you come to another group of cases where the man might possibly be able to go, not to his own ordinary work, but to some other work. For the moment we will assume it is any kind of work, but you might be satisfied on the advice of the medical attendant, or from such other advice as might be open to you, that if he did go to work, his health would suffer in consequence. There again, if I understood your answers to previous questions, you would think that that was a man to whom you ought to pay sickness benefit?—Yes.

8160-1. Now I come to another difficulty which I gather societies have experienced, and it is perhaps this which you had in mind when you said that there were as many interpretations as there were societies. A man might be unfit for the work that he has been doing, but he might be fit to do some other work. For example, an engine driver might have some affection of the eyesight, that made him unable to see the signals, but he would be capable of doing work as a platelayer. Those cases, according to the evidence we have had, seem to fall into two groups. There is the group that comes within the first few weeks, and the group of cases of more permanent disablement. You gave an answer to Mr. Mosses with regard to a man who had been working in a factory, and then was given an opportunity of working as a porter. You got a certificate from the doctor that he was incapable of work. I assume that in a given case you get a certificate from a doctor, that a man is suffering from some affection and is incapable of work and on that certificate, if I followed you correctly, you might not possibly raise any question for a week or two, or is it that you would raise right away the question of whether he was incapable of his ordinary work that he had been doing, or incapable of any kind of work whatever?—He is not in any employment at the time. He is not engaged in that light portering?

8162. Not at the time; he is a man engaged in some factory on possibly some hard work. Mr. Mosses, I believe, put it to you that he has been working as a chain-maker, and he has some illness, and the doctor certifies him as incapable of work?—We could not raise any question unless the agent, superintendent, or sick visitor reported that he was doing some other work. Then we should cause investigations to be made.

8163-4. On that question of his doing some work, it appears to me, following the evidence of those representing the administration of societies like yours, that there are two kinds of questions that need to be kept distinct. The first is the question of the fact of the man doing work as evidence that he is capable of work, and the other is the question of his doing work in contravention of the rules of the society as to conduct, whilst in receipt of sickness benefit. For example, a man might do work when he was unfit to do work, and when he had been ordered by his doctor to rest?—That is so.

8165. He is in receipt of sickness benefit, but nevertheless he perversely works?—Yes.

8166. That is a contravention of your rules that might, or might not, be taken as evidence of his capacity?—That would come under the rules governing conduct during sickness.

8167. I think that that point requires to be kept distinct, but on the other hand the fact that a man who had been certified incapable of work had been found working, particularly at some remunerative work, might lead you to raise the question of his capacity for work?—That is so.

8168. And therefore not merely to punish him for breach of rules, but to refuse him continuance of

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benefit, because he was in your judgment no longer entitled to it?—That is so.

8169. Mr. Mosses put to you a somewhat different point as to the practice of your society. A person is unfit to follow her usual employment. I will take an instance used in asking previous witnesses. Take the case of a parlour-maid who is suffering from some skin affection. The doctor gives a certificate that she is suffering from this skin affection, and possibly, having in mind only her ordinary employment, certifies that she is incapable of work. When you come to look into the matter you find that, although she is incapable of work as a parlour-maid, there are plenty of other kinds of employment she could obtain, if she looked out. I suppose your action in a case like that would rather be guided by the circumstances of the case itself?—We should be absolutely guided by the circumstances, I think. Shortly I can say that the attitude of the society is practically this: We pay sickness benefit to members when they are incapable of following their usual employment, and we do that until we get evidence either from their own actions, as seen by our agent or sick visitors or by the doctor himself, that the member is able and actually working at something else. If in your instance of the parlour-maid the sick visitor reported that he had called at the girl's home, and had found her dusting the mantel-piece, we might suspend benefits to await inquiry or we might not, but we should want a special inquiry made into that case, because it might be said that dusting was a parlour-maid's usual occupation. But if the sick visitor reported that the parlour-maid was scrubbing the floor of the house, or was standing over the wash-tub, we should probably suspend her from benefits.

8170. I do not want to press you any further on that point, because one can quite see that it is a practical difficulty of interpretation, and impossible of any strict legal interpretation?—Quite impossible.

8171. You have to use your judgment?—Yes, in almost every case.

8172. I take it that when we say a person is incapable of work within the meaning of the Act, we mean incapable, according to the judgment of the people who had to decide that particular case. There is such a thing as absolute incapacity somewhere known only in the imagination as it were, but what we have to deal with in practice is the more or less imperfect judgment of people acting on more or less imperfect evidence as to the actual capacity of a given person. You do not know whether John Jones is really incapacitated; you only know that some society, acting on such evidence as they could get, thought that he was incapacitated?—That is so, but if John Jones had a broken leg, we should be satisfied.

8173. It might, however, be difficult to say whether a man with heart disease was incapacitated from work by that disease?—That would be so.

8174. You have the evidence of the doctor, who certifies, and of the sick visitor, whom you employ, to watch the case, and so forth, and you come to your judgment—to the best of your ability?—That is so.

8175. It really depends upon the efficiency of your administration for discriminating between one case and another?—Very largely.

8176. And that is what you had in mind when you said that the employment of referees might be justified, if it resulted in a saving of your funds?—Yes.

8177. When you come to the question whether the funds were estimated to bear that amount—I am not speaking now of what the Government actuaries did, but what actuaries do generally—I suppose you have to base your conclusions of what to expect on past experience?—Yes.

8178. And the experience of this kind of thing was the experience of societies who in the past had conducted the business of sickness insurance?—Yes.

8179. And the data on which the actuary has to work are the actual number of claims paid by those societies?—That is so.

8180. And the decision is a decision based on such imperfect machinery as we have been describing?—Presumably so.

8181. The evidence of medical certificates, which perhaps in the past was not absolutely conclusive, and of sick visitors, and so forth?—Yes.

8182. So that that machinery was really a factor in the experience on which your calculations were based?—You have got up to the sick visitor.

8183. All the results of the machinery used for checking claims affected the data on which you based your estimate of future claims?—Yes.

8184. If then you can improve your machinery in any way, say, by the employment of medical referees, then, at any rate from a business point of view, you regard that as legitimate?—We consider it a business proposition.

8185-6. If you can save 2,000*l.* by spending 500*l.* you think that the 500*l.* is worth the spending?—Certainly.

8187. With regard to the actual employment of referees, you say that you employ referees who are not on the panel?—That is what we are now about to set up. The idea is that it would be better, as far as we can, to get quite an independent man who is not on the panel. It seemed to us that if we had a man who was on the panel to-day, he might be examining the case of a colleague on the panel, and to-morrow that colleague might be examining a case of the man who had previously been in the position of the medical referee.

8188. Therefore, the man who is not on the panel is more likely to be independent, and less likely to be biased?—We thought so.

8189. I suppose the men whom you employ are in practice?—All of them.

8190. You cannot employ whole-time men for this work?—We have no intention of employing whole-time men.

8191. So that even they, to some extent, would be competitors in practice with the men on whose work they would be reporting?—I do not think so. They would act in exactly the same capacity as they act for the insurance companies at the present moment. If we appointed a man in the Leamington district, any cases from any part of Leamington or around would be sent to him in exactly the same way as examinations for life proposals are now sent to him when we want them.

8192. At any rate the doctor is not confined to insurance work. He is, as a rule, doing other practice as well, is he not?—Yes.

8193. Then, is he not a competitor in practice very often with the person you employ as referee?—Would that be likely to follow?

8194. I mean as regards their practice outside the Act?—The man who is going to the medical referee is almost a suspected person. If he goes to that referee, and the referee declares him fit for work, he is not likely to be friendly disposed towards that doctor, so that it is only in those cases in which the medical referee may be lenient to the man, that the man would have a favourable leaning towards him, but in that case it is hardly any good, because the doctor is not on the panel, and the man must go to a panel doctor.

8195. You must not think that it is only in respect of that particular man?—He has not come into touch with the family at all.

8196. The family may go to any doctor?—That is so, but the mere fact of us submitting this man to an independent doctor does not, to my mind, bring the family of that man within touch of the doctor. I am dealing with the point as to whether it would give this doctor a lever to increase his private practice.

8197. The difficulty that has been put to us at the Commission sometimes has been that doctors had a difficulty about their patients being referred to their competitors in practice. There is the difficulty that the doctors are competing in other fields, and not as regards the individual patient? You do not think so, at any rate?—I do not.

8198. You feel that a doctor who is not on the panel is sufficiently independent for the purpose even although engaged in practice?—Yes, and we shall go further, and employ men even on the panel. We think that these men will do their duty, and in every

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case it will be an arrangement with the panel doctor that he may attend if he so desires.

8199-200. With regard to those cases referred to referees which you quoted to us, we understand that they are only illustrations, but, taking them as illustrations, was the point which you wished to put that they were illustrations of cases where the panel doctor's judgment had been mistaken?—No; I am rather inclined to say that they were put forward as illustrations of the carelessness of the panel doctor in filling up the certificate.

8201. You would say that of the case of appendicitis?—There, I think, that the evidence of carelessness came to this: The doctor for three months after this woman had had this operation, week by week was giving her certificates.

8202. Perhaps I got the dates wrong. Have you still got the papers by you?—The doctor's report was that she had quite recovered.

8203. (Chairman.) You mean the medical referee's report?—The medical referee's report says, "She has quite recovered from the operation for appendicitis, done on August 14th, 1913, nearly three months ago. She is in good health; all her organs are sound." That is on the report.

8204. (Dr. Smith Whitaker.) The dates I got were July 22nd, August 24th, which I see was a mistake, and October 29th?—She came on the fund July 22nd, suffering from what she thought was colic, but the sick visitor told us on the same date that there was no doubt that she was suffering from appendicitis, and she goes apparently from July 22nd up to August 14th before she has the operation.

8205. What you base your opinion on is, not so much the fact that it had gone on for three months after the operation, as that the referee in reporting on the case expressed the opinion that the woman was quite fit for work?—Yes.

8206. You would recognise that the panel doctor might conceivably, after a serious operation, consider than even a longer period than three months was necessary?—I quite recognise that.

8207-8. You are going simply on the fact that in this particular case the referee took a different view?—Yes, and even our lay visitor, who was the first to arouse our suspicions.

8209. In the case of your consumptive prize-fighter, of course it is conceivable that he was prize-fighting without the knowledge or consent of his doctor?—The illness commenced on November 18th, 1912. "Probable pulmonary tuberculosis" is the doctor's certificate, dated 18th November 1912. On February 3rd the doctor says the same thing, and that goes on all the way through.

8210-1. I see there are other features in the case. Of course, it is possible for a person to be diagnosed as suffering from "phthisis" without there being anything very apparent in his physical condition that would direct the notice of the layman to him, and without even affecting his muscular powers. You appreciate that phthisis is sometimes a disease of very slow growth, and may be diagnosed at a stage at which the patient himself may not be conscious of any impairment of his physical powers?—Yes.

8212. That was the only point I was taking. It did not appear to me necessarily that all your certificates were evidence of carelessness. Taking another kind of case: you had a case of hemorrhage. Did the doctor certify nothing but hemorrhage?—That is on the London Insurance Committee's schedule. I have not looked to see if it is correct.

8213. Are you in a position to say that "hemorrhage" was all that was on the certificate?—Hemorrhage is on the first certificate, and hemorrhage is on the second. It is hemorrhage all the way through.

8214. What would your society do when they got a certificate of such an indefinite kind as that?—In a case like that we should pay, and wait for our sick visitor's report, and see what the sick visitor said.

8215. Would you not refer it back to the doctor to require him to say more definitely what part was affected, or from what organ the hemorrhage was proceeding, or something of that kind, or would you

be satisfied simply with hemorrhage? I am not on the point of the accuracy of the certificate, but the indefiniteness of it?—It is a case in which we should pay, and go on paying until the sick visitor reports. The first report the sick visitor sends us in is: "Complaint: inflammation of throat and hemorrhage in nose. Ill three months. On the funds for five weeks."

8216. The only point I was on was the practice of your society. I wondered whether in such cases you never referred the certificate back to the doctor asking him to make it more definite?—We should not in the first few weeks, except where, as in this case, the sick visitor raised some question, but where a minor ailment, such as "anæmia," continues for some weeks, we should ask for a special investigation, quite apart from what the sick visitor reported in the ordinary way.

8217. If I understood correctly, in cases of pregnancy you pay, if satisfied that the woman is incapacitated from work?—That is our attitude.

8218. You do not go into the question of whether the incapacity is supposed to be due to pregnancy also, or to pregnancy with complications, but you are satisfied if she is incapacitated?—Yes.

8219. With regard to the rise in the claims at the time of bank holidays, I suppose you have not had any special analysis of the certificates given by the doctors at that time?—No, I have not.

8220. To find whether there was any unusual proportion of complaints of any particular kind?—No, we have not.

8221-2. Does it occur to you that it might perhaps be worth while to find out, and to see whether by analysing them the certificates bear on the face of them any explanation?—Yes.

8223. Then, on the point of people not declaring off until the end of the week, someone put to you the question whether there was carelessness on the part of the sick visitor or the doctor. You have dealt with the sick visitor, but, with regard to the doctor, do you consider it practicable for the doctors to take any steps that would protect you particularly in that direction?—I think that the number of cases are almost negligible in which a doctor could say, "This man will be fit for work next Thursday," although in some cases they do say so.

8224. Do you think anything would protect you short of the doctor visiting the patient every day?—I do not. That was my difficulty in answering the question previously.

8225. You prefer, I suppose, that the doctor should always give his certificate in reference to the state of affairs existing on the day on which he examines—that he should give his certificate that day, and date it that day?—That is so.

8226. Suppose that the doctor sees the patient on Monday, you prefer that he should make any necessary examination on that day, and date his certificate Monday, and that it should relate entirely to what he observed on that Monday?—Yes.

8227. And not what he supposed might have happened two or three days previously?—No, but we should like him where possible to give us some idea of what he supposes may happen a few days afterwards, but I do not think that it is practicable.

8228. Except in cases like that of a broken leg, it might be difficult?—Yes.

8229. There have been questions of societies wanting certificates dated on a particular day in the week, where they pay on a particular day. That would involve the doctor dating his certificate backwards or forwards, or attending all his patients on that day?—Unless he was prepared to say during the week, or a few days previously: "I am quite sure that he will be ill up to and including that day."

8230. Would you consider that a satisfactory certificate?—I do not like the idea; it is quite a new idea to me.

8231. You would rather that they examined and dated the certificate the same day?—That is my view at the moment.

8232. And that the society should face the inconvenience of the certificates not always relating to the

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same day?—That is no difficulty whatever to my society.

8233. On the question of the systems of remuneration of doctors, you referred to the Manchester case, and you have two really different points with regard to Manchester, one which you raised first, and one which was elicited by Mr. Davies. The first point, based on your calculations which Mr. Watson has already gone into, was as to the evidence of greater duration of sickness in Manchester, and the inference you draw from that, so far as you think any inference can be drawn, is that the doctors tend to prolong their visitation of the patients, and to prolong their certification in towns where the payment per attendance prevails?—That is the view we hold.

8234. The other point was quite a different one, namely, that in Manchester the insured apparently are free to change their doctor practically every day?—Apparently they are, in direct contravention of the regulations.

8235. You think that that increases any tendency there may be in the system of free choice to make the doctor perhaps subject to undue pressure in the matter of certification?—It has that effect. It also has the other effect. I have two cases which came in yesterday afternoon, which I could place before you. In both cases the member is declared off by one doctor, and the next day goes to another doctor, who is paid for a certificate, and is declared on.

8236. That could not apply where they could only change once a year?—No, that could not apply then.

8237. (Chairman.) Do you say that he pays for the certificate?—The new doctor is paid for giving that certificate.

8238. What do you mean, paid specially?—No, because he has presumably paid a visit to that patient.

8239. (Dr. Smith Whitaker.) There is a difficulty of getting evidence of treatment of people who are not in receipt of sick pay. Do you find it impossible to conceive how you could get such information?—Absolutely impossible. I cannot conceive of any system which would obtain such information.

8240. Except from the doctors' own records. If the doctor kept a record of all the people he treats, and he also kept a record of all the people he certifies, you would compare the one with the other?—And also a record of all the people he considers incapable. Then you would have to find to what societies they belong, and see whether they declared on. It might possibly be arrived at in that way.

8241. There might be people whom the doctor would be prepared to certify, who did not declare on?—I think that is what the inquiry is directed towards.

8242. You think that some of the difficulties which you have experienced are due to the system of the employment of the doctors—the system of free choice?—We think that some of the excess is due to that.

8243. Do you think that some of them might be inherent in almost any system of employment?—In almost any system there are disadvantages.

8244. Do you think that you could devise any system of employment of doctors, or any other class of people, which would be perfection?—I am sure I could not.

8245. And if you have a system which has to apply to a large proportion of the population, at any rate, you must take such doctors as there are?—Yes.

8246. You have not so much room to pick and choose as in a small service?—That is so.

8247. Do you think, so far as you could improve it, that it would be by attempting to institute a system of whole-time salaried officers?—That is my view at the moment. There are, of course, disadvantages in that.

8248. What is the chief advantage which occurs to you?—That they are then absolutely and entirely independent of anybody and everybody. They have no favour to get from the society, and no favour to get from the member or anybody. They are State officials, and they can do their duty absolutely independently.

8249. You think that the experience of official services shows that those people do their duty?—I have no evidence to support that statement. The great

thing that would result would be the absolute independence of the doctor.

(Mr. Davies.) Of everybody?

(Dr. Smith Whitaker.) Except his employers, the State?

8250. (Chairman.) You are a professional actuary, are you not?—I am an actuary.

8251. And you have been an actuary connected with life business as well as sickness benefit?—Yes.

8252. You have had some experience in calculating the premiums charged for life policies?—Yes.

8253. And the manner in which the premiums are made up for that purpose?—Yes.

8254. When they are made up, the first thing that you do is to ask yourself what should be the net premium, having regard to whatever table you are using, and so calculate in the first place the net premium necessary to support the policy?—The actual net cost premium, yes.

8255. Do you then load that premium in order to bring it up to what it is actually going to cost the society in administration?—Yes.

8256. That produces the gross premium which is actually charged to the insured person?—You would also put in something further for a margin.

8257. And for proper profit?—Yes, and for profit.

8258. There are at least two quite distinct elements in that premium, are there not?—Yes, certainly.

8259. Would you kindly transfer your mind again to the sickness benefit? Does not the same hold good there? You first try, do you not, to calculate what is necessary for a particular policy. You would find out the net premium necessary for the purpose?—Yes.

8260. And then you would load it for administration?—Yes.

8261. To which part of those two elements would you charge what was necessary to check malingering?—To administration.

8262. Then must you not charge medical referees to administration?—Yes. I am speaking now as an actuary. If you are making your calculations, you take the net cost of the sickness itself, and then you load it, knowing, and making allowance for, the use of medical referees.

8263. Precisely, that is what I am putting to you?—But I am not quite sure whether the idea of medical referees was universal.

8264. Take the case of life insurance. Having arrived at what you thought was necessary by way of net premium to support the policy by experience of human life, and having found out your other elements, if you subsequently found that your second element was not sufficient to support your office expenses, and give you your margin and proper private profit, what would you do? I suggest that you would increase the premium?—You cannot charge such a thing to the sickness side. You must charge it to the administration, but if the administration is not big enough, and cannot stand it, you ought to get a further State grant.

8265. That is another matter, is it not?—Yes.

8266. You would not think that you had made it up by taking something necessary to support the policy?—No, certainly not.

8267. It was put to you that in any district in England you would find quite a number of superintendents acting for the National Amalgamated Society?—Yes.

8268. How are those agents paid by the National Amalgamated Society? How is their remuneration calculated?—Entirely on the number of members he has under his control, and whom he has to look after.

8269. Is it your contention then, that if there are 250 agents instead of one, the expense to the society would not be increased?—That is so, because no member is supervised by more than one agent.

8270. How is the agent's remuneration calculated?—On the numbers, but in no case can a member be under the control of, or supervised by, more than one district office.

8271. You told us earlier in your examination that you had provided trusses, and charged the cost to the sickness benefit fund? I do not know whether you

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said that inadvertently?—I said it believing it to be true.

8272. Is it true?—I believe it is.

8273. Will you tell me by what process of reasoning you arrived at the conclusion, that you had a right to do that?—Did I say that it was charged to the sickness benefit fund?

8274. That is what you said?—I want to withdraw that. I believe it is charged to the administration fund. I am almost certain of that.

8275. If there is any uncertainty on the point, I think it would be well to look it up, and let us know. It is a point of very considerable materiality?—Yes, I will do so.*

8276. I want to put something to you now on a legal point. You are not a lawyer?—Only so far as I had to be to be an actuary.

8277. You have had in that capacity a very considerable experience in insurance law?—I have had some.

8278. Have you, in all cases where you have been satisfied that, to put it in the widest way, you were deceived by the application form, or by the circumstances of the application, proceeded to get rid of the member by expulsion, where you have got rid of the member?—Always by expulsion.

8279. You have never done it by way of avoiding the contract?—Never, always by deliberately expelling the member.

8280. Can you tell me why you have chosen to proceed under the expulsion rule, rather than have recourse to other methods which may be open to you?—Yes, we discussed this question from both points of view, and we came to the conclusion that it was more straightforward—not that the other is not straightforward—but that it was better in the interest of all societies concerned for us to expel a member, so that if that member was expelled, and we had sufficient grounds for expelling him, it would show that he was not a member fit for any society. We came to the conclusion that if we expelled the member, he could not get into another society, but that if we allowed him to withdraw the contract he could then go to another society, and probably would not disclose the fact that really he had been almost on the point of expulsion from another society, but would act as if he came to them as a normal transfer.

8281. Was it present to your mind that if you proceeded by way of avoiding the contract, it was possible that other grounds were open to you than those on the proposal form itself?—No, I do not quite follow that.

8282. There are incidences of the contract of insurance which are independent altogether of the statements made on the proposal form?—You mean that they may not have made a deliberate misstatement, but they may not have disclosed something. We should not take action, unless they had made a deliberate misstatement.

* On inquiry I find that the method of procedure is as follows:—The society arranges with the member's panel doctor for the provision of the necessary surgical treatment through an institution to which the society makes a donation under clause 21 of the Act.—J. A. J.

8283. That is what I want to know. You have not chosen to rely on non-disclosures?—No. If a man has not replied to a question, but has simply put a tick to it, we should not then be in the position which we always want to be in, of being able to say, "You have made a misstatement," because he has not.

8284. You said, as I understood, that, consciously or unconsciously, the doctor is forced by his own interest to treat patients leniently, did you not?—Yes, on the question of the choice of doctor that would be the tendency.

8285. I would again put to you what I put in my original examination. Do you not think that perhaps there are agents also who are in a position where their interests, or their duties, to some extent conflict? You suggest that the doctor's interest and duty to some extent conflict. You say that you found that, consciously or sub-consciously, and without any wickedness, their interests in some cases tended to conflict. Are you quite clear?—Yes, I am, but I cannot admit that as regards the agents their interests do conflict.

8286. Take the case of an agent who has four lives insured in a house. He has a considerable inducement not to treat very harshly the person who is the chief wage-earner in the house?—I really do not admit that. I see what is meant. You think that in certain isolated cases—

8287. I am asking you what you think?—It is suggested that the agent might be lenient towards certain members, because that would mean in certain isolated cases he would be in the good books of the member.

8288. Yes?—But then, on the other hand, if all the agents were adopting that attitude, the success of the society would be seriously endangered, and at the end when the whole results had to come out, and the society was put into a bad position, he would be up against the whole of his members.

8289. I quite agree. That may be a very good answer on the other side. I am not suggesting that all agents do this everywhere, but whether there is not a danger of it affecting the minds of some agents?—I do not think there is. I do not think it would have any practical effect on our experience.

8290. The agent carries the money to the house, does he not?—Yes.

8291. And in a great many cases the house has weekly to give him a certain sum of money for premiums, does it not?—Yes, in certain cases.

8292. And it is his interest to collect these premiums?—Yes.

8293. Do you think it might slightly influence the question whether he is to have money to carry to the house in respect of sickness benefit, that he also wants to collect money easily from that house for another purpose?—I am not prepared to admit it.

8294. I do not want you to admit anything. Please do not treat this as a hostile question. It is nothing of the sort. It is only that when all these questions are about we should like your opinion, because there is probably no one more competent in England to give an opinion.

The witness withdrew.

ELEVENTH DAY.

Wednesday, 19th November 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT:

SIR CLAUD SCHUSTER (*Chairman*).

Mr. J. BURN.
 Dr. ADAM FULTON.
 Miss MARY MACARTHUR.
 Mr. WILLIAM MOSSES.
 Dr. JAMES PEARSE.

Dr. LAURISTON SHAW.
 Mr. A. H. WARREN.
 Mr. A. W. WATSON.
 Dr. J. SMITH WHITTAKER.
 Miss MONA WILSON.

Mr. ALEXANDER GRAY (*Secretary*).

Mr. JOHN BARKEE (*Assistant Secretary of the United Society of Boilermakers and Iron and Steel Shipbuilders*) examined.

8295. (*Chairman*.) Are you the assistant secretary of the United Society of Boilermakers and Iron and Steel Shipbuilders?—Yes.

8296. Is that a registered trade union?—Yes.

8297. Formed before the passing of the National Insurance Act?—Yes.

8298. Which has been approved as an approved society under the National Insurance Act?—Yes.

8299. How many members are there of the trade union on the private side?—64,500 members.

8300. How many of them are there on the State side?—48,000.

8301. Are all the persons on the State side members of the trade union?—Yes. We do not accept any for insurance unless they belong to the private side.

8302. I take it that all your members are men?—Yes.

8303. Is the union organised in branches, or is it what we call a centralised society?—It is centralised. We have branches, but they are not registered branches.

8304. Are all the funds pooled?—Yes.

8305. Are the branches scattered all over England, Scotland, Ireland, and Wales?—Yes, all over the United Kingdom.

8306. How many of the 48,000 members are in England and Wales?—36,000.

8307. What do you say as to the question whether claims, which are not justifiable, are being made in respect of sickness benefit, of course, on the State side?—The first point which I put forward is the novelty of insurance. I think I have been in an exceptionally favourable position, before the Act came into operation and up to now, for ascertaining just the influences that have been operating against the Act. While the Bill was going through the House of Commons, I endeavoured to make myself more or less familiar with its provisions. In view of my position as assistant secretary, and having to visit our branches occasionally, many questions were asked of me upon the matter, and I could readily see that there was a tremendous amount of prejudice against the whole business, and that there was misrepresentation for political purposes. I think the result was that before the Act came into operation, and afterwards, many of the members of our society had the idea that they were going to be robbed of something, and having paid their 26 contributions and having received nothing in return, when the period came when they were entitled to benefit, I am afraid that many of them went on the funds too quickly, in order that they might be sure that they were going to draw out at least as much as they had put in, and this was in consequence, to a large extent, of the prejudice created in their minds against the whole business, before it came into operation. Then there was the novelty of the insurance, and my experience told me that there was tremendous ignorance, as well as prejudice, in their minds, and even to-day I am afraid that a large number of them do not know what the principle of the scheme is.

8308. You mean the principle of insurance generally?—Yes.

8309. What are the benefits which you pay on the private side?—10s. sickness benefit.

8310. You pay, besides that, an out-of-work benefit and that sort of thing?—Yes.

8311. How long have you been paying the sickness benefit?—Ever since 1834.

8312. What is the contribution that is paid in respect of that?—There are three grades, first, second, and third. In the higher it is 3s. a fortnight, and they are entitled to 10s. maximum.

8313. If they pay less, they get less?—Yes.

8314. It is a flat rate?—Yes, according to the grade. All in the first grade pay the same, and it is the same in the case of all in the second grade, and all in the third grade.

8315. What does the rate depend upon?—Upon the qualification in the trade itself. If a man serves five years, and joins before he is 23 years of age, he is first grade, if he joins between 23 and 30 he is in the second grade, and if he is over 30 when he joins he becomes a third-class member.

8316. So, as it is, a member in the first class, if he falls ill, draws 1l. a week, 10s. on each side?—Yes.

8317. What is the average wage that a man makes?—That is a very difficult question to answer. Rates vary considerably in different localities. In London the platers get perhaps 45s. a week, and the holders-up, who are a lower grade, get 33s. a week. In Lancashire the rates might range from 41s. down to 35s. On the north-east coast and in other shippards they work chiefly on the piece, and are paid according to what they do, and a standard rate is of very little account there.

8318. What does it come out at? What does a man on the north-east coast look to carry home at the end of the week?—It varies from, perhaps, something like 3l. a week, and the men who make the frame of the vessel perhaps make as much as 1l. a day, but these latter form a small proportion of the total men employed.

8319. I was only trying to get some idea of what proportion the 1l. a week sickness pay would bear to what they would earn. It would not bear much relation?—The only districts I know of where the men might be over-insured are the Midlands, where the wages are rather low, say, in Staffordshire, and in some parts of Yorkshire, where in some cases they only get 37s. for the highest class, and come down to about 25s. in some cases. I do not suppose that there would be more than about 5,000 out of the whole lot in this class.

8320. Your men, having been insured from the time they first came into the society, have had some possibility of familiarising themselves with the idea of insurance?—Yes, so far as ordinary trade union funds and friendly society business are concerned, but this is slightly different from the ordinary method. It is

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[Continued.]

managed, or at least controlled, by the State, and consequently it has had the effect of creating an unreasoning prejudice in the minds of some people. In addition, the machinery that was already set up for the trade union and friendly society movement has been employed. It has been subjected to an immense extra tension, owing to the great amount of extra work that has had to be done, and like any other machine it slacks off, if it does not break down, with such an amount of extra work.

8321. Besides being insured on your private side and on the State side, are your members, generally speaking, insured in friendly societies?—Many of them are, but we do not make any inquiry when a man joins our organisation.

8322. Should I be wrong in supposing that your members are among the better paid and more thrifty of the artisan classes? One would be apt to find, perhaps, a larger proportion of them taking advantage of the various means of thrift than would be the case among the ordinary lower paid, less educated class of artisans?—My judgment is that the man who is most thrifty is less likely to come on insurance at all, unless absolutely compelled.

8323. He has made provision?—Yes, and that consequently shows that he has some self-denial, and that he is a man who, apart altogether from any prejudice that may be in his mind, will not come on the funds, if he can help it.

8324. You are going to give us some figures. What are they?—In our July monthly reports we made the first statement, drawing attention to the fact that many claims were being made in excess of what had been experienced previously. The statement which I sent in contains the figures.

8325. In the first six months of 1912 you had 8,068 persons sick on your private side?—That is right.

8326. Is that the whole number that fell sick during that period?—No, at the end of each month. The secretary sends along a return of the number sick at the end of the month.

8327. That is all the sick at the end of the six months, or at the end of each month?—Each month. I can give each month. In January 1912 there were 1,307 actually sick on the last day of the month, in January 1913 there were 1,803; in February 1912 there were 1,466, and in February 1913 there were 2,148; in March 1912 there were 1,626, and in March 1913 there were 2,286; in April 1912 there were 1,273, and in April this year there were 2,061; in May 1912 there were 1,198, and in May 1913 there were 2,125; in June 1912 there were again 1,198, and in June 1913 there were 2,217. That was a total of 8,068 in the six months last year, against 12,640 for the six months this year.

8328. What amounts were paid in sickness benefit during those periods?—I put them in to demonstrate that there have been claims, which should not be allowed. In the quarter ending July 12th 1913, we paid out 7,659*l.* 13*s.* 5*d.* on the private side, compared with 4,022*l.* 4*s.* 1*d.* during the same quarter in 1912. There is an enormous increase there on the private side.

8329. Has there been any increase in the membership?—The increase in the membership has been perhaps 2,000. I could not tell you offhand, but it is nothing in proportion to the increased cost.

8330. Is there any parallel for this increase from 4,000*l.* to 7,600*l.* in the past history of the society? When you compare the figures for 1911 and 1912, what do you find?—I have not got the figures for 1911, but they were slightly in excess of those for 1912, because the state of trade was not quite so good then, and when trade is depressed, benefits are always increased, even sickness benefit. The better the trade, the less benefits we pay. So the chances are that 1911 was slightly more than 4,022*l.*

8331. Then take 1910?—That would be perhaps a little more again, and the same would be the case right away back to 1908. We should find that each year was higher than 1912.

8332. There was a steady fall up to 1912?—Yes, and apart from any outside influences, if insurance had not been in operation, I think that in 1913 we should have been down to less than 4,000*l.*

8333. From 1908 to 1912 there was a steady tendency to drop, and in 1913 there was a sharp rise?—I do not want to say anything that I cannot substantiate. If I had known I was going to be asked about these figures I would have brought them with me.

8334. But there has been that increase?—That is my opinion.

8335. What about the figures on the State side?—The amount paid in sickness benefit for the first, second, and third quarters, the 39 weeks, under the Insurance Act was 4,637*l.* 18*s.* for the first, 5,545*l.* 14*s.* 7*d.* for the second, and 5,270*l.* 3*s.* 3*d.* for the third quarter. You will notice that the first quarter is considerably lower than the second, and the second is considerably higher than the third. I have the opinion, and I have expressed it before our executive council on several occasions, that, while there is cause for alarm, we shall gradually get back somewhere near the old position. I am of opinion that we shall find that each quarter as it comes along will be nearer the first quarter. There is a considerable reduction in each country. I could give you each country, and show that what has happened in England, has also happened in the other countries, and that in the third quarter there has been a sensible diminution as compared with the second quarter.

8336. Do you not always find that there is a diminution in the third quarter of the year, and that it is the best quarter for sickness benefit?—I do not know. There are no special circumstances as far as I know.

8337. Look at your figures for 1912. They tend to drop from January to June. They go up a little from January to February, and then up again in March, and from that month they dropped steadily until June?—Yes.

8338. The figures for June are almost equal to those for May?—Yes. There is something in it, but you will not find that that is an absolute principle that works every year, though there is a tendency in that direction.

8339. You say that you expect that these figures will gradually come down to those for the first quarter?—No. I do not think that they will ever come back to the figures for the first quarter, but a decrease has taken place in the third quarter, as compared with the second. I think that that decrease will go on until it brings us somewhere near the figures for the first quarter.

8340. Have you ascertained what this represents per member per week in pence?—Yes. Sickness benefit 2*s.* 8*d.* for England for the whole 39 weeks.

8341. Could you break that up into quarters?—No. I have not done that. I thought it better to give you the figure for the 39 weeks.

8342. Am I to take it that the members of your society are a fairly average age throughout?—We take them on as apprentices at the age of 16. Some of them are working at the trade at the age of 79.

8343. Take the working population of England on the one side, and your people on the other, would you find the average of age much about the same? They are not all middle-aged men or all boys or anything of that kind?—They are about the same as other people.

8344. Is there any special circumstance that affects any one of these quarters in your mind? For example are there any holidays?—No, I do not think that there is anything which would affect it in that way. I cannot think of anything just at the moment.

8345. We are sometimes told that people engaged especially in engineering trades find a difficulty after middle age in obtaining employment, and tend to drop out altogether. Is that true of boilermaking, or not?—That is a question about which we have a very strong feeling in our own union. We resent strongly the action of many employers in discharging our men, when they have got years and years of good work in them.

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8346. Do you find that it happens to such an extent as to affect the general age average of your society? I do not want you to make any definite statement as to figures, but is there any tendency of that kind?—I do not think so. The percentage of claims to membership perhaps would be interesting. In the first quarter it was 9·87 per cent., in the second it was 9·92, and in the third it dropped down to 9·69. That is not much by itself, but, when spread over the whole society, it represents a substantial decrease in the number of claims.

8347. Have you any figures to show what is the average length of the claim?—No. When we have got the whole of the sickness record cards finally completed, we shall be in a position, perhaps, if we employ some extra men, to get it. In the first quarter the cost per member for sickness was 2s. 9½d.; in the second quarter it was 3s. 3½d., and in the third quarter it was 3s. 1½d. The average contribution per member for the same period in the first quarter was 6s. 11½d. The rate of contribution was very high, because facilities were offered for these men to pay up for those weeks when they were out of employment, and they took advantage of same. For the second quarter it rose to 7s. 0½d., and in the third quarter it was 6s. 10½d.

8348. It has been a period of steady trade all through?—Yes. Employment has been very good. It has been increasing every month, except one.

8349. Which month was that?—September, I think, when the number signing the book was slightly in excess, but it was not a genuine rise, because it was possible that it was due to some local circumstance which affects a thousand or two, so that we cannot always take that as a reliable guide.

8350. Were there any very large strikes during that period?—Nothing very large. I do not think that there has been any embracing more than 500.

8351. What is the average out-of-work period in your society? What have you paid in the last nine months for unemployment pay?—I did not get that out.

8352. Have you got the maternity benefit figures?—Before I come to that, I may mention one thing. I took out just promiscuously 20 branches to find out whether that rate of sickness pay was paid all over the country, or whether it was greater in one place than another. I took 10 shipbuilding districts and 10 inland districts to get the comparison. In the shipbuilding districts, there is a lot of casual employment, and the class of men are not always quite as steady going as they are in the Midlands, and I thought it would be interesting to see if the Midlands would compare favourably with the others. The membership of the 10 shipbuilding branches number 3,333 and the insured persons out of that number 2,220. In the inland branches with a membership of 3,059, the number of insured persons is 2,481, so that you see with a much less membership, you find that inland shops come more into line with the insurance.

8353. What is the reason of that?—The work is steadier and more certain.

8354. There are 1,100 men or so in the shipbuilding district who are not insured in your union?—In these 10 branches.

8355. But they must be insured somewhere or other?—Yes, but they will be in friendly or insurance societies. The cost per member in the shipbuilding area is 3s. 7½d.

8356. For sickness benefit only?—Yes. For the inland branches it is 3s. 3½d. You see what a big difference that makes. They are a very large number of members. I took that out for the 10 branches without making any special calculation, in order to be quite sure that there could not be any selection.

8357. Is that 3s. 7½d. for the quarter?—Yes. The cost for maternity benefit in England for 39 weeks was ·88 of a penny. That makes a total of 3·72 pence for England, which is ·72 pence over the actuarial figures. Scotland is less, but Ireland runs very high, over fourpence.

8358. Have you got any more figures?—I could give the number of claims actually made in England

each quarter. In the first quarter it was 3,176, in the second it was 3,318, and in the third it was 3,239, or a total of 9,733.

8359. On all that, do you think that to some extent the novelty of the business has caused people to come on, who would not otherwise have come on, and that there will be a tendency to go back again to a more reasonable level in time?—I think so. I know that when we have altered our rules on the private side, and have introduced anything new in the way of increased benefits, generally for a little while a great number of members come on. It is more the novelty of the thing that appeals to them than anything else, and gradually it tends to fall back to what it was.

8360. They come on to see what it is like?—Yes, it is a very foolish thing to do, but it is there all the same.

8361. Do the shipbuilding people come on, say, for the building of a ship, or are they regularly in employment, or are they taken on simply for a particular job?—The man is engaged by the employer, as long as he has work for him to do. The minute he cannot employ him at a profit, he throws him out.

8362. When the building of a big battleship is coming to an end, is there not a tendency for people to come on the funds when out of work?—Yes, unless there is another job to be done in the same yard.

8363. While the job is on, there is a good deal of overtime?—There was, but we have been trying to limit that.

8364. I am wanting to know whether there is a tendency to have periods of considerable work, followed by periods when the man feels inclined to stop away?—That is quite true, more particularly in the shipbuilding repairing districts. Men have been asked to work night and day almost, to get a boat out for a certain time. It does them no good, in my opinion, and that is the opinion of our executive, and that is why we are fighting so strongly against overtime. When it is followed by a period of staying off for three or four days, or sometimes a week or more, I do not think that that is good for men, because if they have made good money when working, the chances are that they will not look after themselves when they are off work doing nothing.

8365. Have you found any coincidence between the occurrence of weeks, when they happen to be off, and those periods when they come on the sickness benefit fund?—No, I have not. Unfortunately that is the case so far as Part II. and our private side is concerned.

8366. But you do not wish to say that it has happened, or you do not find that it has happened?—I do not know of any case of that description. Of course, in times of severe depression we have had many cases.

8367. That was not what I was thinking of, but does it happen even in times of good trade?—Not to my knowledge.

8368. Have you anything more to say about that, or shall we go on to the question of the doctors?—In reference to the question of over-insurance, I do not think that that applies to any great extent, though it may in the Midlands in some cases, where wages are considerably less than in the shipbuilding districts, but generally speaking I can say that the proportion of benefit to their wages is not great, and that there is not much over-insurance. But there are other circumstances, of which we have not got complete knowledge. That is the number of men in friendly societies, and so forth. A man may be receiving benefits from the Hearts of Oak, the National Deposit, and others, and it is only human nature if men, particularly those who have got a stiff back, can draw very nearly as much money when they are off as when they are working, that they should try to impose.

8369. Do you find them imposing?—We have had cases reported to us by our sick visitors. The branch officials generally have such an extensive knowledge so far as checking this kind of thing on the private side is concerned, that they do stamp it out very largely, but it is impossible to stamp it out altogether.

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8370. Have you come across any case of deliberate fraud?—Yes. That was since I sent in this statement of evidence. I said that I had had no case, but on Saturday morning a case was reported to us of one of our men in Liverpool, who had had seven weeks and two days sickness benefit, both from the private side, and the State insurance, and had been drawing compensation at the same time. That is the only case that has been brought to our attention. The council have immediately dealt with it, and inflicted the full penalty under the insurance rules. He will be suspended from benefit for 12 months, and pay a fine of 10s., and he will have to return all that he has drawn. For any subsequent breach the fine will be 1l.

8371. Turning to the question of the doctors, you have had experience of doctors in the past?—Yes.

8372. What was the arrangement in these days? Had each unregistered branch its own surgeon?—Yes. Each of the 317 branches made arrangements with some local surgeon, or medical officer, to deal with cases of physical inability, or sickness of the members of that branch, and we paid a very low sum, lower than what the doctors are getting now.

8373. What did you pay?—4s. a year.

8374. What did the members pay you in respect of that?—It came out of the general fund. The society paid a shilling a quarter, or 4s. per year for each member in benefit.

8375. Supposing that the member went to another doctor, and not to the branch surgeon. Was the money still paid to the branch surgeon?—Yes, and if the member went to another doctor, he would have to pay the other doctor himself. But we found no cases of that description. I am bound to say that the arrangement, which we had before, worked most satisfactorily. While the doctor received a smaller sum he was perfectly satisfied, and we had no complaint, with the exception of one or two cases in which the doctors wanted to raise the sum to 1s. 3d. per quarter. And there seemed to be an understanding between the branch and all its officials, and the surgeon with regard to the men who were likely to impose on the fund. The doctor had the same men under his treatment always, and he came to know each one, and if the branch secretary had the slightest doubt about a man, he would go and speak to the doctor with whom he was quite familiar, having been on terms of business with him for years and years, and he would say: "Doctor, we are not quite sure whether brother 'Johnson is really malingering or anything of that kind, and we should be glad if you would help us 'to find out,' and between them they would quickly discover. There is not that cohesion now. There is not that understanding.

8376. Were these men elected?—They were elected by the branch.

8377. At a meeting of the whole branch?—Yes, subject to the consent of the executive council.

8378. Did the executive council ever refuse consent to the election of a man whom the branch had elected?—I only know of one or two cases where there would be some very exceptional circumstances. For instance, we have had a complaint about a very good doctor, but unfortunately he was none too temperate, and the result was that he did not give the attention that he ought to have done. In every other respect he was a fine man. He had four of our branches.

8379. Were they re-elected year after year, or elected for life?—They were really elected for life. There was only one period when the contract could terminate, and that was in September each year by three months' notice.

8380. The result of that was, of course, that the secretaries of each branch were in close touch with the doctor?—Yes, and also the president and the stewards. They could deal with men as they thought fit. If they had an idea that one or more men in a branch were on the funds too long, they would get into touch with the doctor, and the doctor would give special attention to that particular case or cases, and knowing that man so well, in many cases knowing his affairs and his domestic circumstances, he would be in a position to know whether that man was a malingerer or not.

8381. The man had to take the services of the branch doctor, whether he liked the doctor or not?—Yes, we found that that was a very wise thing too, because it prevented him going to another man, if the branch surgeon refused to give him a medical certificate declaring on the funds.

8382. The only certificates you acted on were the certificates of your own branch surgeon?—Except in circumstances where a man was living away, or was taken ill on holidays, or something of that kind.

8383. Do the boilermakers move about the country much?—Very much.

8384. When they move about, do they change their branch?—Yes. Their clearance goes along with them wherever they go.

8385. You have a special hold on your members, in contrast with the ordinary friendly society, because you have the forces of the union, besides the forces of the friendly society?—Yes, I think so. The branch surgeon not only understood the men there, but he understood the work they were doing.

8386. What I mean is this: is the boiler-making a very strict trade?—So far as admitting into the union is concerned.

8387. And so far as admitting to work of that kind is concerned? I cannot go and make boilers unless I am a boilermaker?—If you served your time to riveting, for example, while you will find a slight difference between riveting a boiler and riveting a ship, it does not take you long to get accustomed to the other job. There are men, who have become experts at one particular thing, but it is possible, while it is a certain handicap, and it does happen every day, that a man, working at his ship one week, may next week be working at boilers.

8388. But inside the union?—He must be inside the union.

8389. If they are not in the union, no one can get them to work for them?—We hope not.

8390. A man cannot afford to say "If you do not 'like to give me a certificate, I will go to another 'society.' He is tied to your society?—Quite.

8391. That is to say that you have a great pull over the friendly society?—Further than that, if he belonged to a friendly society, it would not be sufficient for him to produce the certificate from the friendly society to claim benefit. It must have been from our own branch surgeon.

8392. You have got a tighter grip than the friendly society?—Yes.

8393. With you, if he wishes to leave, he has got to sacrifice his livelihood?—Yes, the only way he could change his branch surgeon is to change his branch.

8394. So that there was no free choice of doctor, or anything of that kind? He was tied to the doctor chosen for him?—Yes.

8395. Under the present system, how did you find the doctors acting when the Act came into operation?—I think my colleagues share my opinion on this matter. They acted, not exactly with indifference, but shall I say that, at the commencement, there seemed to be a want of confidence, perhaps, in the minds of some doctors, as to whether they were serving their own interests in trying to do their best or not.

8396. Is that state of things tending to decrease?—I think so. I am rather hopeful that as the doctors begin to settle down to the new order of things, and realise that they are not being robbed of anything, and that it is going to put something in their pockets, they will try to do their best; and not only that, in my opinion the amount of clerical work involved, during the first quarter and later, made it impossible for some of the doctors to do just as much as they might have done, so far as examination and so on, are concerned. That has decreased quite considerably now, and consequently, I think that they will be able to pay more attention, provided they do not allow too many on the list.

8397. You hope that that will happen. Do you find it happening already, and that doctors already are more easy to deal with than they were?—Yes, but I will not mention the degree.

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8398. If your branch secretaries have to talk to doctors, do they find that the doctors help them?—More than formerly. The doctors seem to have more confidence in the whole business. It seems to me from the experience of our branches, and from inquiries made from me at meetings, that certain questions have been raised, particularly with regard to panel doctors at Gateshead and Newcastle. They (the members of approved societies) formed a vigilance committee to ventilate their grievances, because men used to be kept waiting half an hour, standing out in the street, waiting to see a doctor and get his attention. The result was that they had to take very strong measures to prevent that sort of thing. Fortunately there has not been a great deal of work for that committee, and the fact that we had a committee of that kind seems to have remedied much of that. I do not think that there has been a complaint for quite a long time. The doctors had so many people waiting, that many of them had to stand in the street, and many of them were really physically unfit for that, and should not have stood in the street at all.

8399. You find, I suppose, that many of those who were your branch surgeons before the Act passed have gone on the panel?—Yes. I think almost the whole of them.

8400. Have they got a great number of members on their lists?—Yes, I think they have. There has been a tendency on the part of our own members to select the doctor who was attending them formerly, but others, perhaps, have moved, and have gone to live a little distance further away from the doctor's residence, and have got another doctor.

8401. Do you find that the doctors fill up certificates as you want them filled up?—No.

8402. Did they not at first?—No, the certificates were so nondescript. I thought I was pretty good at deciphering caligraphy, but it is impossible for us to write up some of the sickness cards records. We are not medical men, and we do not know what the real spelling of the word is, and when we see about four m's, and nothing else, we cannot read it. We have simply to leave the sickness record a blank.

8403. Do you find that they write better now?—There is this about it. You have got a prescribed form now, which gives them a little bit more room. They were cramped up. We accepted any kind of certificate at first.

8404. Apart from that, do you find that the certificates are being filled up?—There is some difficulty in some districts in getting the medical man to fill up the continuing sickness sheets. He thinks that that is not part of his duty. In addition to giving a medical certificate, when the man declares on, he must sign the sickness continuation certificate every time he goes to see the patient. Some surgeons are kicking against that, but not many. They are chiefly in Scotland.

8405. Do you find them putting down on the certificates things which you can understand, like headache and pains in the toe?—Some of them.

8406. When you get certificates which you cannot understand, what do you do? Does the branch secretary communicate with the doctor?—The doctor certifies the man as incapable of work. If he is incapable, it does not matter what is the cause. If it was for something we did not understand in the old circumstances, the branch secretary would have gone to the doctor and have said: "What do you mean by 'giving a thing like this? Cannot you write 'English?'" He would have thrown it back at him. We have not got the same control now. The panel doctor would say: "Go away, and find out the best way you can."

8407. It was not only that the surgeon was a paid servant of the branch, but also it was realised that the branch secretary was a responsible man, and entitled to information. Your branch secretaries are just the same as they were nine months ago? They are not afraid of the doctors?—No. I do not think that they are afraid of anybody, as a rule.

8408. When they get an answer like that, are they content with it? What happens when anyone says to

one of them "Find out the best way you can?"—He would report to the executive committee, and they would see the thing remedied. Under the old system the doctor would not say that. We could complain now to the insurance committee.

8409. Why do you not do so?—We have done so in some cases. We are going through those things. We have got many of our staff on these record cards.

8410. Even now the secretary does not say, "Very well. I will put my hands in your pockets and go off." He remonstrates?—No. He simply accepts the thing, to save himself trouble. He says to himself, "I am doing the work of the State. I am a civil servant. I am not getting half paid for it. I am not going to be running about after everything like this." That is perfectly natural. There are many little things that could be remedied, if the men themselves always took the determined attitude that they ought to take, in dealing with matters of that description. That is a thing which I hope will level itself up.

8411. Your branch secretaries realise that it is the funds of the members of their union which they are administering; surely it is not their part to say: "I am not going to bother about it"?—If it were only a question involving the fund it would be all right, but the secretary knows that if he took the certificate to somebody who understood it better than he, he might be told that it means backache or something of the kind, but the doctor has certified that this man is incapacitated, and what he is suffering from is described by some long word; so he simply accepts it.

8412. Is it not vital to know whether the doctor is certifying complaints, which are real complaints, especially now that members have a much freer choice of doctor than before? That does open a certain door to the possibility of laxity. How is that laxity to be restrained, if your officials do not find out what the doctor is doing?—If the doctor gives a certificate of an unusual complaint, you could hardly expect a layman to go to the doctor and contest it. He would say, "You go back and mind your boiler-making. I am a doctor, and you are not."

8413. In the past you would have said: "This man, in my opinion, can go back to work"?—If the branch secretary or president or steward, who knows all the members, had an idea that that man was malingering, from his appearance or conditions of life, or by his drinking, even though he does not go beyond the bounds of temperance, or by going to a football match on Saturday afternoon in the rain, when he is supposed to be suffering from a cold, then apart from what the doctor may put on the certificate, he immediately used to take the matter up.

8414. Does he not still do that?—There does not seem to be the same tendency to do so; there is not the same cohesion between the officials and the doctors.

8415. Might you not create that cohesion?—I think I could suggest a way in which the thing could be considerably improved, by going along the lines of the old method, and getting branches in a given district, as far as possible, to get their men all to go to the one doctor.

8416. That is a matter for your personal action?—No. If there was a recommendation from the Insurance Commissioners themselves that this should be done, it would encourage the insurance committees to encourage this thing to be done, and I think that with the assistance of the approved societies, we might gradually be able to get the men concentrated in a given area under the one medical man, so that instead of the panel doctor having Tom, Dick, and Harry and all kinds of others, perhaps he would have sufficient from the boiler-makers, the gas workers, and others in the locality so that he would have the same touch with them as formerly.

8417. Could you tell me how your business is actually run? You have a secretary, president, and steward for each branch?—Yes.

8418. Though the funds are centralised?—Yes. So far as the State insurance is concerned, the branch secretary receives the stamped cards and forwards them on to us. He fills in the members' insurance

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books before he sends them to us. He has the member's insurance book, so he knows how the man stands with regard to contributions paid and benefits drawn. The whole lot of stamped cards is dealt with in our central office. We send them along to the Commission.

8419. How is a claim made? Would a member make it to the branch secretary?—Yes, if he desires to. He will visit the doctor, and he might ask the doctor for a note, and the doctor would say: "You are not fit to go to work. To-morrow, probably, you will be, so I will not give you a note yet." In our opinion, an insured person ought to insist upon that note being given, even if he is only going to be off for two days. On our private side we compel men to hand in a doctor's note and a declaring-on note within 24 hours.

8420. Does the branch secretary pay without reference to the head office when the time comes to pay?—Yes; the member at the end of the week gets all he is entitled to, and the secretary sends on to the head office a weekly sickness return sheet, which states the benefit, name and registered number, the declaring-on or off notes, or both, and the amount that he is entitled to, and the amount that he has actually received, and it is signed by the member. These we file, and the sickness registers are written up from them.

8421. Do you, besides filing them, scrutinise them in any way in the head office?—Yes.

8422. What do you look to see?—First we check the date of the certificate, that we may see that if the day of declaring on is Monday, the day of coming on is Thursday. We find many cases in which there are errors of that kind.

8423. Do you look to see whether people are coming on the funds for complaints for which you do not think people are justified in coming on the funds?—Yes, we take the doctor's certificate and scrutinise it, and see, as far as we can judge, as we have always done in the past, when it has worked out satisfactorily, whether we consider the complaint is one that should incapacitate the man. But, after all, that is a rather formal matter, because we cannot always tell.

8424. If the case has been on the funds for a great number of weeks, do you ask: "Why has this man been on for six weeks with a cold in the head? Is it not about time that he came off?"—We have instructed our branch secretaries that they must use all proper power, but not trespass too much on the man's individual liberty. We make all reasonable inquiries, in order to see that the man is not malingering.

8425. Have you any automatic check which you apply after a certain number of weeks?—We have a weekly check on the man by sick visiting. We have two sick visitors in a large branch, and one in a small branch, who waits on the person when ill.

8426. Are the sick visitors paid?—Yes.

8427. Are they members of the branch?—Yes, in all cases.

8428. Are the members of the branch bound to undertake the duties?—They are elected by the branch for that purpose. They combine the two sides, both the private side and the State insurance.

8429. What are they paid?—Id. a visit.

8430. Is it their duty to visit every person who is sick every week?—Yes.

8431. Do they carry out that duty?—Yes. We compel them. On the private side it has always been done, and it has rendered very valuable aid.

8432. Do they make a report to the lodge?—Yes, every week in every case to the lodge officers. They attend, but if there is any special case, they give a special report.

8433. Does the lodge meet every week?—No, once a month.

8434. Do the members attend it?—It all depends. If there is anything special on, they will turn up. Take a branch with 200 members. In some districts you might get an average attendance of 50, in another 25, and in another it might be 150.

8435. At those meetings are the sickness returns read out?—No. The sick visitors give a detailed report every week, giving the names, and how they found brother So-and-so, or whether he was improved, and what they thought about him themselves; and if they thought that he lived in surroundings likely to retard recovery they would report that, and we would investigate it to see whether it was the consequence of the man's own neglect.

8436. Some of these reports must be of a very delicate nature?—At times.

8437. Are they made quite fearlessly? It might be an embarrassing thing to report that brother So-and-so, whom everybody knows, ought to come back to work, and will not?—Suppose that a sick visitor is particularly fond of brother So-and-so, who is on the sick fund, and may be malingering, then in the minds of some people the sick visitor may be inclined to be too lenient with the sick man; but there are other people who live about where the man resides, and work in the same shop, who are members of our society, and are a check upon the stewards themselves. That is to say, if they thought the steward was dealing too leniently with one of the members, they would say something about it, so that the tendency is always for a person to do his duty. The branch officials are watched very closely in everything they do.

8438. Do you find many cases in which a branch secretary, without consulting the doctor, would say to a man: "I am going to stop the sickness benefit. You must go back to work next Monday"?—No.

8439. Or after consulting the doctor?—If a man were found guilty of misconduct the branch secretary would not hesitate a moment.

8440. I do not mean a breach of rule?—We would strike him out if he was out after hours or under the influence of drink.

8441. Those are different things. One is a breach of rules, and the other is misconduct?—Yes.

8442. Getting drunk is a thing that will make you ill, but stopping out after hours is just a breach of the rules. Do you fine for stopping out after hours?—Yes, but we would withhold benefit while inquiries are being made.

8443. For one infraction of that rule?—Yes, unless there were some special circumstances. If a member came along and said "My sister is ill, and I have been down the street to see her," an exception would be made.

8444. But if you find him in a picture palace, what would you do? Would you fine him?—We should not fine him immediately. The lodge committee would deal with it at its first meeting. He would be given a chance to state his case, and in cases where we have found the member guilty, we have fined up to 10s. for a first offence, and one or two of our members in Manchester were fined the full amount, 1l.

8445. You do not suspend for that?—No, except in the case of fraud that I told you about.

8446. Drunkenness is an offence of a different kind?—Yes.

8447. What would you do in that case?—In the case of drunkenness, I should not hesitate in suspending a man from benefit. A man guilty of drunkenness, while drawing the pay from a friendly society and thereby retarding his progress, is guilty of fraud, because he is deliberately preventing himself from recovering.

8448. In those circumstances you inflict a penalty. Now take the case in which you think that there has been misconduct, which is not a breach of the rules; what would you do in the case of a man whom the doctor certified to be suffering from delirium tremens, which was due to excessive drinking?—We should mete out the most drastic treatment we could.

8449. Do you fine such cases? I am only taking instances?—We have to take each case on its merits, but there is no doubt about the fact that we should inflict the most severe penalty we have power to do.

8450. Are there not a number of illnesses, which may, or may not, be due to drink? Do you make any inquiries when you get certain specified complaints, to find out whether the man is suffering from that?—No,

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but when we had the branch surgeon, he would on Monday morning say: "Here you are again, Tom Bilkins, I am inclined to think that you had too much drink this week-end, and I am not going to give you a certificate on your club at all."

8451. Now you have lost that check due to the doctor knowing both you and the man intimately. What have you set up in its place?—The family has increased so much that he does not know all of them. We had a little family circle, and the doctor knew, as it were, the little idiosyncrasies of all of them, and was up to their little dodges. The panel doctor has not the same opportunity of knowing the insured person.

8452. The result of that is that you have the duty thrown on the officials of the society of looking after that kind of thing?—Yes.

8453. Suppose you find misconduct, would you suspend people from benefit?—Yes.

8454. Would you expel them from the society?—Yes, we have done that in many cases before the Insurance Act came into operation; that is, in very bad cases.

8455. Have you expelled any member since the Act came into operation?—Not for misconduct. I think that one who was a defaulter was expelled, but that is the only case. We have expelled many members for being in arrears of contributions.

8456. Not on the State side, since the Act came into operation?—Yes.

8457. I do not quite understand that?—They have got into arrears beyond the amount allowed under our rules. We cannot allow them to run in arrears, and a branch secretary is quite justified in putting his name to the report, as to a man having run out because he had failed to comply with the rules of the society.

8458. When a member leaves the trade union side of the society, has he to leave the State side?—Not immediately. The Commissioners asked us to indicate some kind of amendment of our insurance rules to deal with that, and we have done it. They have agreed to it. Immediately a man runs out, it is the duty of the branch secretary to notify him that unless he rejoins and pays up what is due to the society before the expiration of three months, the society will compel him to transfer himself to another approved society, or become a deposit contributor, because we will not deal with State insurance with anyone who is not a member of our society.

8459. You have had nothing to do with medical referees?—No. I can only say that our people have discussed the question on many occasions. We think that there are two distinct sides to the question.

8460. What are they?—One side is that the appointment of referees might have the effect of keeping down malingering to a certain extent, and perhaps of preventing those who have sufficiently recovered to return to work from stopping off. But we realise that there are hundreds of people who would almost die rather than visit another than their ordinary doctor; consequently, if we have medical referees, there are bound to be hundreds of cases where nervous people will return to work, even if they drop dead at it, rather than go to a specialist. Secondly, if a man or woman returns to work before they are sufficiently recovered, the chances are that it will not be long before they are back again on the funds. Instead of being cured in a fortnight, they might draw the whole twenty-six weeks' benefit before we get rid of them, and they might even go on disablement benefit as long as they lived. Our people have rather an open mind about the medical referee. Up to the present moment our board have decided not to agree to it.

8461. You do not like it?—We would rather develop the principle of cohesion between the panel doctor and the insured persons.

8462. Do you not think that there might be cases where the doctor, who might be a branch surgeon, or any other kind of person, might have a certain unwillingness to certify a man as being fit, and would be glad of the value of somebody else's opinion?—Yes, that is what happens in medical practice now. If a medical man is not quite satisfied about the progress

of an individual, even of a private patient, he will get the assistance of another medical man. If we put on the medical man the duty of saying: "I think so-and-so is malingering, but I am not quite sure," he will consult the medical referee, and see what he thinks about it.

8463. It has been represented that sometimes a doctor is in a very uncomfortable position. He depends for his livelihood on people coming to him to be cured. If he is over strict with the patient, and another man is not scrupulous and not strict enough, the strict man would be at a disadvantage. Is it not reasonable that for their own protection, the doctors should have an opportunity, in doubtful cases, of sending the patient to someone else?—In a case like that, there could not be any great objection to it, but we should want to have a say in the matter. I should not like to leave our members entirely in the hands of the doctor in any way.

8464. But you do, according to your own description, leave them to a great extent in the hands of the doctors?—Yes, that only strengthens the position. Before, they were always compelled to go to the same doctor, and the doctor would always keep in touch with us. I have never heard of a case in which a panel doctor has gone to the trouble of reporting directly to the trade union any case in which he has been doubtful. To be quite plain, we have had no experience with medical referees.

8465. You do not really feel that you have much to say about it?—That is so.

8466. You wanted to bring to our attention the difficulties about the dating of certificates, or the time at which the certificates are given?—That is a very important matter. In the first place we want the doctors to say to a man who visits them in the evening, and who, perhaps, has been working that day, but who is not fit to work the next day, "Have you been working to-day?" and, if the man says "yes," to date the certificate for the next day. If the doctor does not do that, there is always a danger of the man being paid for the day he has been working. In connection with the sickness return sheets we sometimes find that a man has four instead of three qualifying days, and the branch secretary has said, "I discovered that this brother got the doctor's certificate on the evening of the day he had been working; consequently, that day should not have been reckoned as a waiting day."

8467. Do you not think that that is a duty the branch secretary ought to perform for all the members? Cannot you depend on the statement the member makes to him as to whether he has been working on that day?—No, the man brings us a medical certificate.

8468. But he also brings along a note in which he himself declares that he has been incapable of work for such-and-such a number of days?—We want a double check—the doctor's check, as well as ours.

8469. If you get it out of the member, it strikes me that there is no reason for bothering the doctor. If you cannot get it out of the member, it is not likely that the doctor can?—But suppose the branch secretary did not ask the member—

8470. Do you not think that he ought to ask him?—Most of our branch secretaries do ask, but supposing they do not, why should not the doctor ask the man the same question. There would then be always two chances to one against a mistake being made. It would help, if the doctors would do what we ask in that way, and would ask if a man has been working on the day when he goes to the doctor at night.

8471. I follow that. Do you follow the suggestion I have made to you?—Yes.

8472. That you are putting on the doctor the responsibility of doing something which has nothing to do with doctoring?—The doctors will not be responsible.

8473. The doctor's business primarily is to treat a man for his illness?—Yes.

8474. It is necessary, in order that this business should work, that he should give a certificate?—Yes.

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8475. And that is the only way the doctor comes into it?—Yes, but it is the doctor's duty to sign the certificate at the end of the illness, when he himself believes that the man is actually sufficiently recovered to return to work.

8476. Now you would try to put on him the duty of finding out whether a man did in fact work at a particular time. Is that not an impossible duty for him to perform?—I think you misunderstand me; I do not want to put anything on the doctor, neither does our society. What we want to do is to build up a connection between the doctors and our people. We want to co-ordinate them. We do not want the doctor to do anything he ought not to do. We know the doctors have sufficient to do already. We have had experience with 360 doctors connected with our society. We have not had that experience without knowing that they have plenty to do. We are not going to put anything on them, but we believe the doctors will be sufficiently amenable to work hand in hand with us, and adopt any reasonable suggestion. I might say that our board sat and discussed this point for quite half an hour, and I was asked to put this matter forward.

8477. As a matter of fact, you are there putting on the doctor a duty which the doctor cannot possibly perform?—He could do it in this way; he could ask the man if he had been working that day. If the man says "No," the doctor signs the certificate, but if the man says "Yes," he does not sign it for that day. You might say that the man has, perhaps, told the doctor an untruth. Perhaps he has, but he has to go to the branch secretary and undergo the same questioning. If we find that a man has drawn money for the day on which he has been working, we should be able to say to him: "We have asked Dr. So-and-so and found that you told him that you had not been working that day. We find you had." That is a case of deliberate fraud, and we would impose the full penalty. It is a double check.

8478. Have you anything else to say on that point?—There are cases of this description, which give us a great deal of trouble, and lend themselves to a certain amount of benefit being drawn which is, perhaps, not quite justifiable. A man goes to a doctor, who says to him, "I will not give you a certificate just now. You go along for a few days." He lets him go on four days before giving a certificate. Then the member, instead of sending the certificate and the benefit form for drawing upon us, withholds the certificate for, perhaps, ten days or a week. We have had a large number of cases where they have been withheld three weeks, and the man has actually recovered, and it was only after his recovery that he got the medical certificate for the drawing of the money. In the first place, the doctor was to blame for not giving the certificate straight away, and the member was to blame for not handing in the certificate within the prescribed time. On the private side we impose a penalty, and withhold the benefit until the member hands in the certificate. We have done the same thing to a member on the State side, but the Commissioners say bluntly that that is wrong. We think that that is a point upon which the Commissioners might consider the advisability of compelling approved societies to penalise strongly, even to the extent of withholding the benefit from men who do not hand in their certificates at the proper time. On the State side we might fine a man 10s.

8479-80. Do you fine him?—We have done so. We consider it a breach of the rules. A man might say: "I did it out of ignorance," but other men might make that same excuse. We considered it unfair that on the private side a man might be fined for not handing in a certificate within 24 hours, whereas on the State insurance side he could withhold it for a week. We instructed the secretaries to put the matter before the branch committees, and to impose a penalty of 10s. for the first offence.

8481. Do you not find that that is efficacious? It is equal to a week's benefit?—Yes.

8482. For any repeated breach you could fine him twice—that is, 11. ?—Yes; we want to prevent a breach

altogether by removing the circumstances which lead themselves to a breach of the rules. We could do it by saying plainly in our monthly reports to all insured members: "If you do not hand in the medical certificates within 24 hours of receiving it from the doctor, your benefits will be withheld until you do hand it in."

8483. (Dr. Fulton.) With regard to the question of dating certificates, what you really mean is that the rule long adopted by some friendly societies that there should be an hour stated on the certificate at which the doctor saw the patient, should be followed?—That would be better, but it would not remedy the thing altogether. If a doctor sees a man at night, or even at dinner-time, the man might have been working for three or four hours that day. That certificate would not say that the man had been working that day.

8484. The doctor has to depend on the man's statement?—Yes, but the doctor would help us, if he asked the man if he had been working.

8485. Do you not think that many panel doctors are already doing that?—I hope so, but many are not. That is why we have had the complaint from so many branches.

8486. Surely all of us, who are working on a panel under the Act, are doing that sort of thing for the different societies every day. Have you had many complaints?—Yes, we have. We have discovered the cases in the weekly sickness return sheets. We find that the date of the signature does not coincide with the date of coming into benefit. We make inquiries, and the secretary says: "The doctor has signed the certificate too early."

8487. Have you the form of certificate with you?—No.

8488. Have you a form of your own?—We use the prescribed form—the duplicated or combined one. There is the medical certificate, the signing-on note, and the continuing sickness sheet.

8489. If the certificates states: "I have this day seen ———," and if the man comes on Monday, the doctor cannot very well date it for the following day?—No.

8490. Supposing that you had to consult me to-day, and I had to fill up this going-on certificate for you, you would demand it on the first day, and I should have to fill it up: "I have seen you to-day," because I have not seen you to-morrow?—That is so.

8491. I must either sign it for that day, or else my certificate is inaccurate?—You would be asked to say you had seen me that day.

8492-3. The certificate says: "I hereby certify that I have this day examined ———," and it must be the day on which you were examined, not the following day?—Supposing the doctors were to recommend that at the end of the certificate there should be a statement, under the man's own signature, that he had not been working that day, as follows: "I hereby certify that I have not worked on the day on which this certificate was signed."

8494. We should have no objection to that, so long as you did not ask us to vouch for the fact whether he had been at work?—We should not ask that. When we get a certificate of that kind, we would not write to the doctor, but simply correct it. Would it be much trouble for the doctor to write at the bottom "Not worked to-day," or "Worked to-day"?

8495. Would that statement be worth anything?—To us it would.

8496. But we have only the man's statement?—Quite so.

8497. You could get that without the doctor's assistance?—It is a matter of having two checks instead of one.

8498. Would it help you if the doctor put on the certificate "3 p.m.," "6 p.m.," or "7 p.m."?—It would be of some assistance, but not enough.

8499. (Miss Wilson.) Your point is that you want the man to make the statement twice over—to the doctor and to the secretary?—That is so. We should then have double evidence to prove that the man is guilty of fraud, if he does draw for that day. We

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should have the evidence of both the secretary and the doctor.

8500. (*Dr. Fulton.*) Are you having much trouble with cases of this kind: a man manifestly ill, perhaps suffering from a severe bilious attack, asks for a certificate of incapacity, which could be justly given for that day, but the doctor may have the opinion that the man may be well in two days' time. How would you suggest that that difficulty should be met? If the doctor gives a certificate, would it hold good for a week's incapacity?—Yes.

8501. Possibly in three days that man would be quite fit for work, yet the doctor might not see him for four or five days. You see the doctor's difficulty there?—To be entitled to benefit, the man would have to go and see the doctor again, if he could not resume work at the end of three days. If the doctor found that the man was sufficiently recovered to resume work the doctor would say, "I think you should have been fit before." If the doctor thinks the illness is only going to last a day or two, he could say, "I will give you a certificate, but you must come and see me three or four days hence, for probably you will be able to work then."

8502. The Commissioners' first form was intended to meet cases like that, but the second provided that the man should be allowed three days before he drew benefit?—That is so.

8503. My objection to that is that it means a certain amount of ante-dating certificates?—That is so.

8504. As to the question of medical referees, you do not attach much importance to that?—No, our people are not very decided about the whole thing.

8505. You always had the power to consult another medical man?—Yes, in cases of men coming on for superannuation, or claiming bonuses.

8506. Did you revise Rule 24, which says that should a doubt arise that any member is imposing on the sick funds, the branch should have power to have the man specially examined? Would that examination be made by a branch surgeon, or a special medical man?—The branch surgeon would be consulted, and, if he were not satisfied, we should have power to pay 1*l.* 1*s.* for another examination.

8507. To a medical referee?—To anyone we liked to engage.

8508. In the past you have made provision on your private side for a medical referee in case of necessity?—Yes.

8509. You have always had a fairly elaborate system of sick visiting?—Yes.

8510. What was the main object of that visiting?—The first principle is to visit a man in order to cheer him up, if he is down-hearted; secondly, at the same time, to try to protect the funds of the society, and find out whether the man is sufficiently ill to be away from work; thirdly, to see if the man is so ordering his life as to assist his recovery; and, fourthly, the visitor takes the money, and the man signs for it.

8511. As a matter of fact, on your private side, since 1838, you have never trusted entirely to your lodge doctor, or branch surgeon, the question as to whether a man was entitled to sick pay or not?—We have not found it necessary to consult specialists, except on rare occasions, and because of that we did not see the utility of a medical referee.

8512. My point is that you have always attached a great deal of importance to sick visiting, with a view to discovering whether members were imposing on the sick funds or not?—Yes.

8513. So you have never left the matter entirely in the hands of your branch surgeons, although you had the power of dismissing them at any time?—We had not the power to dismiss; the executive council dealt with that. The sick visitors did all they possibly could to assist the medical men, and worked hand in hand with them. When they visited a man on some evening, they would go to the branch doctor and say, "I have seen brother So-and-so, and am not quite sure that this case is quite right." The man might be complaining about the treatment he is getting, and they would ask the doctor. "Do you think you might give him some different medicine?" If a man made a

complaint as to a doctor, the visitor would go to the doctor, and talk the matter over with him. That is what we want.

8514-6. Are you trying to do that with the panel doctor now?—We are not quite sure of our ground yet. I think that possibly it is gradually coming. It is only when these things percolate generally, that we know of any change taking place. Every morning we have correspondence from most of our branches, and we get it at least once a month, so that we can feel the pulse of the whole membership once a month on different matters. There has not been the same confidence existing between the panel doctors and the members that there has been hitherto, but, from correspondence we have recently had, I am of opinion that the distrust is gradually disappearing.

8517. In a large order like yours, you would always have a large number of members on the list of practically every doctor?—Yes.

8518. About how many members would each of your branch surgeons have had in the days gone by?—In the larger branches, such as Hartlepool, Middlesbrough, and Port Glasgow, where we have a large number of members, each doctor would have 300 men in one branch. Sometimes a doctor would have three branches, so that he would have as many as 900 from our society alone.

8519. Would he frequently attend the wives and families as private patients?—Yes, generally.

8520. In the present circumstances, when one third of the population are insured persons, would he have the same proportion of private practice among them?—I do not know. I do not think that he would have the same time to attend to it.

8521. Hitherto he would only have half your number on the contract basis?—Our view is that the principle which applied to our branch surgeons formerly should apply now. Our branch surgeons got an entry into the houses of the members, and got the wife and family as patients, and there is no reason why the same principle should not apply now.

8522. A certain number of children are insured in their own right, and have the right to choose their own doctor?—Yes.

8523. The father's choice would not necessarily carry the whole lot?—Quite so.

8524. You spoke of getting the men to sign on for one doctor. Do you think you will get your members to agree to that?—I think so. They have been accustomed to that, and there has been no complaint, except from those who would be most likely to malingering. Say, if Dr. — has been attending a member in Bolton, and the member was not satisfied, and said that the doctor had sent him to work before he was sufficiently recovered, the member goes to the branch, who make an investigation, and if they find the doctor is right, that man would say, "I will not allow that doctor to treat me any more, I will go to another doctor," and he will get certificates more easily, perhaps. If you could agree to recommend that so far as possible approved societies should be recommended to get their members in a given locality to accept the same doctor, in order to co-ordinate them and secure the best relations between the two, I think it would have a good effect.

8525. Some members might want the same doctor, if he were popular?—Quite so. We might have a branch of only 100 members in a given district, and the panel doctor would take our 100, and the gasworkers, say, would have the same doctor too. We want to increase the meeting together of all in their common interests. I believe it could be done.

8526. Did you not find in the past that members, who are also members of friendly societies, chose a different doctor for those societies from the one they chose for your society?—No. Take the case of a man who is a member of the Boiler-makers and also a member of the Druids. It might be that the officials of the Druids branch would rather have Dr. So-and-so. That would give the man two options. If he does not like the branch surgeon, he has his friendly society doctor.

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8527. You would not accept the other certificate?—No.

8528. How can you uphold that in a court of law?—The Registrar of Friendly Societies has given us power to do that.

8529. What about the other side of the question? Do you think that you could get your members to agree to it?—This is rather an idea of my own, I do not pledge our people to this. I can try to influence them to my way of thinking. I think that most of them agree to it.

8530. Do you not think that it would arouse a good deal of opposition among the doctors to abolish the free choice of doctor?—At first. At some of the meetings to which I have been since the Insurance Act came into operation, and at which our branch surgeons have been present, they have said, "I do not think that I am as happy as I used to be in dealing with your insured people. It was quite painful to me to break my connection with members of your branch, for whom I have been doctor for 10 or 40 years." That gives me the impression that a large number of them would be only too glad to do it.

8531. Do they mean that those patients have left them, and gone to some other doctor?—Yes. They were compelled formerly to accept one.

8532. Do not the doctors still have the same patients, or have the patients exercised their right of choice?—The family has been increased, and there are a good many additional brothers and sisters, and the doctor cannot give the same attention to each. Previously he had a certain group of persons, but now Tom, Dick and Harry have been brought in, and that has severed the connection between them.

8533. What is going to happen to Tom, Dick and Harry? Is there to be a separate doctor for Tom, Dick and Harry?—The possibility is that some of the gas-workers, say, will be compelled to accept the doctor the Boilermakers previously had. Why should we not exchange a man from one to the other. Any man in the one branch would have Doctor So-and-so.

8534. Provided you get the assistance of the doctors?—We could not do it without the assistance of the doctors. It may seem a far-fetched idea, but I believe it could be done if only we made a start.

8535. (Dr. Pearce.) You said in reply to Dr. Fulton that some doctors have stated that it was painful to them that their connection with the old friendly societies had broken?—Yes.

8536. Did the doctors resign all their appointments in your society some time ago?—Yes, at the instance of the Medical Association. That was at the commencement of the trouble, though not all of them did so.

8537. Was it the vast majority?—Yes, but I can produce letters of resignations sent to us, in which they stated how painful it had been to them to sever the connection, but that it was a mandate from the Medical Association, and they had been compelled to send their resignations in.

8538. You are very anxious to abolish the free choice of doctor which exists under the Act?—I do not think it is possible to abolish it altogether. My recommendation is that we should try, as far as possible, to get the men in one trade to agree on particular doctors.

8539. But you desire to abolish the principle of the free choice of the doctor, and I should like to know the main reason why you wish it abolished?—I should like to make myself perfectly clear on that point. I do not want to say to a man, "You have got to have Dr. So-and-so, whether you want him or not, for all time," although that used to be our position. If we could get a good attendance at a branch meeting, and the members of the branch decided to allow the whole of their members to go on Dr. So-and-so's panel, I should like facilities given for that.

8540. My point is, why do you object to the free choice of doctors?—I have tried to explain how efficacious our plan has proved in the past. A member of the branch, who was dissatisfied with his treatment, could not go before the branch without having a good case, and could not say he would get attendance from another doctor.

8541. Do you think that your individual insured persons object to the free choice of doctor?—I do not think so. The rules of our society have been revised every year since 1834, and this thing has gone on continuously. If it had been unsatisfactory, the rule would have been changed before now. The members must have agreed to it.

8542. Do you think that the doctors should be more concerned with safeguarding the interests of the funds, or with considering the health of the insured person?—I think that you can take it from me that I am reiterating the sentiment of every member of our society and of the executive council, when I say that it is the welfare of the member with which they should be concerned.

8543. And you think the doctor should consider it?—Yes, every time. While we are anxious to safeguard the funds, we are not anxious to do it at the expense of the health of our members.

8544. (Dr. Lawriston Shaw.) You told us that some of your branches thought that members might be taking sickness benefit unreasonably, or unjustifiably, because they were over-insured?—Yes.

8545. That means that these people will be in other societies as well as yours, and that they get sickness benefit not only from your union, and the State insurance, but also from some friendly society?—Quite so.

8546. Does your insured person fill up a form of application for sickness benefit?—Yes.

8547. Would it be a reasonable thing for you to require him to state on this application form what were his average earnings?—Do you mean that we might get our insurance rules amended so as to give us power to do that?

8548-9. Yes?—We should have to get an amendment of the insurance rules. Some desired to put a section in the Act to that effect, but Mr. Lloyd George said that, generally speaking, they did not want to put any restrictions upon a man because he had been thrifty, and had been a member of more than one society.

8550. What, in your opinion, as a trade union official, would be the effect on your members, if you asked them to give you their average earnings?—We tried that many years ago. We tried to get a sliding scale of contributions in proportion to their earnings, and we tried every possible means, but it was a failure on the private side before the Insurance Act was brought in.

8551. If you were about to provide them with some substantial sum per week in sickness benefit, could you not reasonably require them to give you information about their average earnings, and the amount of sickness benefit which they receive from other societies?—There is no power under our rules and constitution to give us the right to ask for that. You want to know whether I think it would be a good thing?

8552. Yes?—Rather, if we could do it. We tried and failed years ago. We had a special card drawn up showing sickness benefits and wages, but we could never get particulars.

8553. Both on your state side and, I suppose on your private side, you are justified in refusing to pay sickness benefit to men whose sickness is due to misconduct?—Yes.

8554. Would you have, on the private side, many cases which you had to refuse on account of misconduct?—They cropped up occasionally, but they are not many. When you have a ratio of 2 or 3 to 60,000 it becomes very few. The cases do not arise very often.

8555. I suppose that patients, who know their sickness to be due to their own misconduct, do not apply for sickness benefit?—I daresay that many of our members would think that the doctor would discover straight away that the illness was due to their misconduct, and they would not apply.

8556. Have you had to refuse benefit to a man whose certificate showed that he was suffering from a disease due to sexual misconduct?—I have some recollection of cases of that description. I would not like to penalise a man for that always: it would not be quite fair.

8557-8. You mean that you did receive certificates from which you recognised, from the doctor's statement, that the disease was due to the man's sexual miscon-

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duct? Would you then refuse to pay his sickness benefit?—If we were quite satisfied that his conduct since the Act came into operation was such that it had brought on the illness, we might do that. We should take that into consideration.

8559. Would you take into consideration the date of the misconduct, if you could?—Yes, if we could trace it directly to something that happened three weeks, a month, three months, or even longer ago, then it would be taken into consideration; but I should not like to say that we would not allow him to have his benefit because of that. There might be many intervening things, and I should not like to make a definite statement.

8560. Supposing the certificate contained the name of some disease that you knew was due to sexual misconduct, would you refer it to the doctor?—The doctor would probably say to the sick visitor when he went, "I think so-and-so will always be a trouble with us. He has a complaint that will take years to get rid of." On the private side, we do not prevent them from having sickness benefit because of that. Personally speaking, I do not agree with the penalty being imposed in that way, unless it is a very flagrant case, of recent date, and we could get a direct connection between the two. I would not pin anything to what happened many years ago.

8561-2. You told us of the difficulty with the panel doctors as compared with your old doctors. Is that not due to the fact that, to a large extent, the patients are the new patients of the doctor, and that he does not know them so well?—That is the whole thing. I believe that when things go along, there will be a better understanding between the two.

8563. (*Miss Macarthur.*) With regard to the dates on which you receive the certificates, do I understand that the reason why you object to making back payments is because you are not able to exercise reasonable supervision over the members in respect of these back payments?—I am afraid that the difficulties of exercising reasonable supervision are increased in consequence of that. If a man signs on to-day, and gives a continuing certificate signed for the week, we know that the doctor has seen him, but if three weeks intervene before he hands in the certificate to the secretary, we do not know whether there has been proper supervision during the three weeks.

8564. As a matter of fact he cannot be visited?—No, he has not been reported.

8565. You cannot know whether he has followed, or refused to follow, the doctor's advice?—Quite so.

8566. Supposing it were possible to obtain an alteration in the present ruling of the Commissioners, would you be satisfied if the rule provided that payment should not be made, if he had delayed without fair and reasonable cause to send in a certificate?—Yes, I think it would be a good idea.

8567. There might be cases in which the member could be excused?—Yes, if he could produce a reasonable cause. That is what we have on the private side.

8568. But if, without having reasonable cause, he delayed to send in the certificate, you do not think benefit ought to be paid in respect of these back claims?—No.

8569. (*Mr. Watson.*) On your private side I understand that you pay sickness benefit beginning from the fourth day?—Yes, precisely the same as on the State insurance side.

8570. How long has that been the practice on the private side?—Since the last revision of rules. I think that was in 1908.

8571-2. What was the previous practice?—The qualifying period was four days instead of three. I am not quite sure which revision it was, and cannot answer the point definitely. There has always been a qualifying period, but whether it was three or four days, or when it was altered, I could not say at the moment.

8573. Notwithstanding the fact that it has always had a qualifying period, and that the system is well understood, the society requires the member, when he falls sick, to notify the secretary of his branch within 24 hours?—Quite so.

8574. Has that always been the practice?—Yes, it is incorporated in our rules, and carried out very strictly.

8575. You gave us figures that showed that the present cost of sickness benefit, taking it for the first three quarters on the State side, has been over 2½d. per week?—Yes.

8576. And the cost on the private side for the quarter ending July, 1913, has been something approximating to double the cost in the corresponding quarter of 1912?—That is right.

8577. So that all the evidence you have given on the figures tends to show that there has been a very remarkable increase in the claims made upon the society?—Yes.

8578. Is not that increase so much as to suggest that the novelty of the new scheme cannot account for much of it?—I am not going to say how much it accounts for. It is one of the agencies at work; that is all I can say. Over-insurance in some definite circumscribed areas might be a cause, but generally speaking, our people, in proportion to the amount of money they earn, are not over-insured to a large extent. The whole thing hangs largely upon medical supervision.

8579. You are relying entirely upon medical certificates?—No, I thought it was demonstrated that our sick visitors are doing very valuable work by way of assisting to prevent malingering, and imposition on the funds.

8580. I do not think it has been quite demonstrated. I suggest that the sick visitors are perhaps not so strict now as they were before the Act?—I have no proof of that, or any reason to think that they are not so strict now as they were before. They are attending the same people that they have dealt with on the private side for years, and it is not as if they had suddenly had strange people thrust upon them. I see no reason to believe that they are not looking after these men as efficiently as they did before.

8581. Is there a feeling in the minds of the members that this sickness benefit is Government money?—Possibly there is a good deal of ignorance regarding the principle of the Act, and there is a tremendous amount of prejudice in consequence of misrepresentations made for political and other purposes. The result has been that they have said, "I do not believe in the State having control of anything belonging to me, but seeing that it has, I am going to make the best of it, and to take all the money I can get out of it." Probably there was a desire in the minds of some of them to see the thing a failure, and to test its financial part as much as possible.

8582. Do you suggest that members go sick, and draw benefit, because of their prejudice against the Act? Do you say that there is a desire in some cases to wreck the Act?—From the experience I had in 1911 and 1912, and afterwards at the meetings which we held, and from questions put to us by our own members and others, I got the impression that there was a desire on the part of some of them, for political and other purposes, to do all they could to make the thing unpopular, and that they did not wish it to be a success right from the very first. I might mention that in February, 1912, the whole of the trade unions on the north-east coast, including the Durham and Northumberland miners, held a meeting of their executives and general secretaries at Newcastle, and decided to arrange a series of meetings on the north-east coast and in Northumberland and Durham to demonstrate the Act to their branch officials and others. A special committee was formed, of which I was secretary. We arranged meetings at Newcastle, and all round the north-east coast, in Durham and in parts of Northumberland. The Commissioners sent down Mr. Kerr to assist us at the meetings, and he did the business very well. The amount of ignorance displayed, and the desire that the worst possible aspect should be given to the whole thing was so patent, that I suppose the prejudice that was there shown has not been removed yet, and that some of those who came in desired to put the greatest possible financial strain on the whole of the funds.

8583. In that case there must be wholesale malingering among a certain group? You cannot call

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it any other word. When you talk of people putting on the greatest strain, and trying to make the whole thing unpopular, that means that they make fraudulent claims for sickness benefit?—There is the point of the novelty of insurance, and the fact that a man paid 26 contributions, some have paid more, without any benefit. Anyone who was out among the people about that time must have heard the various things that were said as to having to pay and getting nothing back. Many of them have said, "We have been paying in, and the opportunity has now come to get something out." When they have had a slight illness, they made an effort to get on the funds. They go on to test the drawing out as well as the paying in.

8584. So there was a good deal of what we should call "malingering." Perhaps you do not like the use of the word "malingering." Let it go at that. If there has been an unusual quantity of claims, and if the doctors were either unwilling, or too busy, to do their part in stopping unnecessary claims, what did the sick visitors do?—I have already said that they have a clearly defined rule to carry out. The regulations on the private side are very strict, and we can depend upon them to exercise all possible vigilance. There is another feature which has not been mentioned this morning, which is that there are without a doubt thousands of people who were never insured before, or who were members of only a trade union, or one friendly society. Perhaps they only received benefit from one source when ill. Some of them had families, and rather than bring deprivation upon their families, they were prepared to work until they dropped. Now that State insurance has come along they will get double their former benefit. The boilermakers got 10s., but since State insurance has come in, they get 1l. Perhaps men who would have risked a serious illness, rather than deprive their dependants of anything, now think that they may be able to manage on 1l. a week, and that they will keep at home, and get themselves properly recovered. I believe that in the long run, from an economic standpoint, it would be a good thing, because men will not come on so frequently.

8585. There was nothing to prevent them insuring for 1l. a week before, if it was necessary?—No, there was nothing to prevent them being members of friendly societies, as well as of trade unions. Now it is compulsory.

8586. Now it is compulsory, a large number of people have effected the proper amount of insurance appropriate to their case, whereas previously they were uninsured?—Yes.

8587. Are you convinced that, although the claims rose from 4,000l. in one quarter on the private side to 7,600l. in the corresponding quarter of the next year, the system of sick visiting is quite as effectual as it was previously?—Yes, I think the sick visitors have carried out the work just as well as formerly, but if you take any machine and suddenly increase the load by double the ordinary weight, you will find a break takes place, and the machine will not work so well as it did, until you screw up every nut. That is what is happening. We are having to see to the loose nuts and are gradually tightening them up. Our sick visitors and branch officials have worked like Trojans, and as they never did before, in order to get through the insurance work. We feel sorry for our branch officials, who have been following their work during the day, and instead of having reasonable recreation and leisure at night, have then had to go to the hard dry work of insurance. I think it reflects great credit on the branch officials. It may be thought, in consequence of more claims being made, and their work having been increased, that they had not given the same attention as formerly. That is not because they are not doing their best. There is only one other thing to be done—that is to increase the amount for administration, in order that a man may be engaged as a whole-time sick visitor.

8588. This is a very serious matter indeed for your society, because your sickness claims, so far as I can see, are so much above the provision made, that at the end of three years you will be faced with a very awkward situation. If the sick visitors are working so hard, and doing their duty so thoroughly, ought not the sick-

ness claims to be something like what they were before the Act? Eliminating all the other causes, is there not a possibility that the system of sick visiting is itself responsible for a good deal of the excess?—Let us be quite clear upon this matter. The sick visitor is never responsible, and cannot be held responsible, for the claim. The only thing he can be responsible for is the duration of the sickness. He can assist the branch surgeon in preventing malingering. A man first makes the claim, and the sick visitor has nothing to do with that. You cannot blame the visitors for the number of claims. The only thing a sick visitor can be expected to do is to see if the man is ill. He will see that he does not malingere.

8589. Is the keeping in within prescribed hours as effectually attended to as before the Act?—I do not think any advantage has been taken of that. We have had a few cases of that description, and have penalised them.

8590. Does the type of person who wants to break the finances of the scheme because of his political prejudice not want looking after a great deal more closely?—I should say so. He has been told that the whole thing is a failure, and that it is going to be bankrupt, and he is going to get all he can out of it, while it is going. He wants watching the most.

8591. Do you think that he is being well watched?—I do, so far as the sick visitors are concerned, acting in co-operation with the branch officials, and, I am hoping, with the doctors.

8592. You said you know of no substitute for the present system of sick visiting, unless it is a paid whole-time sick visitor?—Yes.

8593. Why do you suggest that your society, with over 30,000 members, and its one central fund, should require more for administration to provide for sick visiting than is provided at present?—The machinery in existence when the Act came into operation was expected to carry through the work of State insurance. It is impossible to do more than follow out the insurance rules, and the regulations of the Commissioners. That is what we have done right through. They told us to get sick visitors, and we have done that. Our sick visitors realise the responsibility placed upon them, and they have carried out the work efficiently. The only alternative I can see is to get whole-time sick visitors. I do not agree with it personally, because I think that there is likely to be a certain amount of interference with the private life of the people, which is quite different from the present sick visiting. It means going to houses in circumstances which may be objectionable, and that might make the Act very unpopular. I do not think that it would be a good thing to trespass too much on the privacy of people. When you get an official among them, who may exceed his duty in some cases, he will always be prying into domestic affairs, which will be objectionable in many cases. As to administration expenses, if you look at the September report, you will see there a statement for the first 12 months. That shows we have a good balance for administration. We have worked the thing as cheap as possible consistently with efficiency, but we do think that an extra allowance of 1s. in addition to the 10½d. and 10½d. should be made. Whether our society would agree to employ a whole-time sick visitor I am not prepared to say. I do not think that they would.

8594. When you said that you wanted more money for administration, what you meant was that there are other objections to a sick visitor, but you have the money to pay for them?—I am giving my own personal opinion. I do not think the sick visitors are paid well; they get only 1d. a visit. I think the administration allowances ought to be sufficient to enable the approved societies to pay 2d.

8595. You say you pay them 1d; you also say that you have money in hand?—Yes.

8596. If you are not paying them enough, and have money in hand, why do you not pay them more?—At the commencement of the Act we paid them ½d. The 1d. is the present advance which they have had. Our administration figures show the result of the ½d. payment, not the 1d. The next calculation we make we

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shall have the extra call upon us of double the amount of sick visiting to commence with. If you want to engage a man or woman, and pay them the wages they ought to have, you will have to increase the administration allowance to enable us to do so.

8597. Are the sickness claims, which are now so heavy, the result of paying the sick visitors $\frac{1}{2}d.$ a visit?—No.

8598. Are the sickness claims of these nine months mainly those of a period when sick visitors were paid $\frac{1}{2}d.$ a visit?—No.

8599. Are the sickness claims for the nine months claims of a period when sick visitors were, for the most part, paid $\frac{1}{2}d.$ a visit?—No, they got the advance after the first four and a half months.

8600. (*Miss Wilson.*) I want you to explain your recommendation with regard to the doctor. You said you wanted to be able to recommend all your members to go to the same doctor?—Yes.

8601. Have you in mind something of this sort. Do you want to be able to say to the doctor, "Will you keep your list free for us for a certain time, so that you can take in all our members who want to come to you," or do you want to compel all your members to go to him?—I would not like to compel members to go. What I would like is this; say we have a medical man who was formerly a branch surgeon: he has got to know all our members and the members have got to know him. We should like facilities to be given for any of our members who desire to be on that doctor's panel, so that they should not be crowded out by anybody else, even if it came to having to make arrangements with the Patternmakers, or the Gasworkers, in order to do that. I think the assistance of the Commissioners and the insurance committees might be given in that way in a given locality.

8602. You do not want to do away with the free choice of doctor, but to give facilities to all your members, who wish it, to go to the same doctor?—Yes.

8603. (*Mr. Warren.*) In a society so large as yours, and so constituted, you frequently have disputes and appeals?—Yes.

8604. And those appeals, under your rules, can be settled first by the district committee?—First by the branch, and then by the district committee.

8605. And in the final event by the executive?—Yes.

8606. Do you find that that works satisfactorily?—Yes.

8607. Have you had many appeals in respect of the payment of State benefit?—Very few.

8608. In the case of non-payment of State benefit, you have very few appeals from the members themselves?—If the secretary has been a little uncertain about the claim of a member, he has withheld payment for a short time, and the member has taken the matter to the insurance inspector in the division, or has written direct to the Insurance Commissioners. We have had several letters from the Insurance Commissioners, asking us to make inquiries into the cases of certain men who claimed that they were not getting what they were entitled to, but we have had no appeals directly from members themselves.

8609. My point is that you have machinery whereby every member can approach finally the executive body—first, there is the branch, then the district, and then the executive?—That is so.

8610. On the question of sick visitation, I notice that your rules provide that every sick person is to be visited twice weekly?—Yes.

8611. May we take it that every person in receipt of benefit is visited twice a week?—Yes, he is supposed to be visited once early in the week, and then at the latter end of the week, when he receives his money.

8612. You have not put in a sick visitor's form?—No, there is no stereotyped form of report. The sick visitor attends the branch meeting, and reports every case of a member who is on sick, and he states the progress made, and so forth.

8613. At a certain period of the branch meeting, they call for the sick visitor's report?—That is so.

8614. And he states whether Brother Jones is progressing, or likely to continue ill, or is going off?—

Yes, or whether he thinks he is ordering himself in such a manner as to help him to get better, or to retard his progress.

8615. Rule 24 provides for the conduct of the members while in receipt of benefit?—Yes.

8616. Are you satisfied that these rules are strictly observed?—Yes. Rule 24 applies to the private side.

8617. Would it practically apply to the State side?—Yes, it is practically the same thing, except with regard to the handing in of declaring-on notes, and so forth. We have found that the provision in our own Rule 24 for State sickness has been pretty efficient right throughout. It is only in cases where the rule is not strictly carried out that we have any complaints.

8618. Under the rules you provide for a person in receipt of sickness benefit attending to the society's business?—Yes, in exceptional circumstances.

8619. The rule says, "Unless previously deputed by his branch to attend to the society's business"?—Yes, that is so. If he were summoned, as a witness, to attend a committee meeting in the evening after hours, the branch would give their consent to his doing that, provided that his state of health was not too precarious.

8620. It does not mean that he would be allowed to carry on the work of secretary of the branch?—No, he could not carry that on regularly; if the secretary were off sick, his assistant would do the work. Most of our branch secretaries have an assistant secretary.

8621. You do not permit your members to perform any of their usual duties, while in receipt of sickness benefit?—That is so.

8622. While all your members are entitled to the benefit of the trade union, and also to the benefit of the State side, are there not a very large number of them unquestionably members of other societies?—Many of them are not only in our trade union, but in friendly societies also.

8623. Such as the Foresters, the Hearts of Oak, or the Oddfellows?—Yes.

8624. Have you any idea of the proportion?—No, I could not say off-hand.

8625. In your opinion, does unemployment play any important part in the question of sickness benefit?

—Yes, in times of severe depression, when a man has drawn out his own donation to which he is entitled, there is a tendency to go on the sick funds. You only want to reason the thing out to see how it works. A man has been out of work for a number of weeks, and he has drawn all the money for unemployment to which he is entitled under Part II., and also his donation from his own society. Having drawn those, he has not sufficient to keep body and soul together, and it is not long before he becomes seriously ill, and physically unfit to follow any work. The result is that we find in times of depression that these men come on for sickness benefit, and draw all they are entitled to.

8626. In other words, it is possible for members of a trade union to exhaust their unemployment benefit?—Yes.

8627. In compensation cases, your rule provides that the benefit is reduced to 5s. per week?—Yes.

8628. Is that strictly observed?—Yes, always. The apprentices get 2s. 6d.

8629. In cases of accidents, entitling men to compensation, what are you doing as to State benefit?—The men do not get State benefit at all, except in the case where the compensation is very low, and there we make it up. Also in common law cases, if a man gets injured in a railway accident, we are entitled to withhold the benefit.

8630. You are carrying out the requirements of the Act in that respect?—Yes.

8631. You have had very considerable experience of the working of medical benefit. I take it that you were satisfied with the medical arrangements previously in operation?—Yes.

8632. You thought that there was a cordiality and consideration between the branch and the doctor, or the member and the doctor, and that they were more of a family party, and understood one another?—Quite so.

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8633. Would you prefer, if it were possible, to go back to the earlier state of things?—I should like facilities to be offered to members of societies whereby we might approach it. We shall never get back to it.

8634. Have you found it necessary to make any complaints to the insurance committees as to treatment by the doctors?—No; we have instructed our branch secretaries to do that in every case. Wherever a case of that kind has been reported to us, we have instructed the secretary to report the matter at once to the local inspector, or to write to the clerk to the insurance committee. We have had very little to do with that kind of thing at the head office.

8635. In the matter of certificates, particularly where a man goes late in the evening and obtains a certificate for that day, although probably he has been working that day, have you any knowledge of certificates being post-dated or ante-dated to any extent?—We have had cases where, in the sickness return sheet sent to the general office, we have found that the number of qualifying days has not been in accordance with the Act, and where they have been four instead of three. We have written to the branch secretary on the subject, and he says that the certificate has been signed for the day on which the man worked.

8636. Have you any cases of certificates being post-dated to the extent of one week or two weeks?—We have had no case of that description. When a man goes to a doctor, and the doctor is not quite satisfied that he will be off long, he says to the man, "You will be better in two or three days." The doctor will know that he will have to see him again, and he will probably come back on the Wednesday or Thursday, when, if it is necessary, he will give him a certificate.

8637. Have you had a case of a person suffering from a certain complaint, and the doctor, being of opinion that it might last four or five weeks, has given him certificates for four or five weeks in advance?—We should not allow that to be done.

8638. Has it come to your knowledge that to any degree, prescriptions which have been given by the doctors have not been taken to the chemists?—No, the only complaint we have had, so far as chemists are concerned, is that facilities have not been given in all localities for getting the medicine freely. The chemists do not live on the premises, or have probably gone away for a week-end.

8639. (Mr. Burn.) In your outline of evidence, with regard to sickness claims on the private side, you say that the number on the books at the end of each of the first six months aggregated 12,640, an increase of 4,572, or an average of 762 per month. That says "on the books at the end of each of the first six months"?—Yes.

8640. Have you taken any account of those who came on, and went off during the month?—No.

8641. So that really this does not show the whole of your sickness?—I thought that I had made that quite clear.

8642. Any short illnesses which occurred during the month do not come in these figures?—No. The matter works out on the compensating principle. Supposing there were more in one month, there might be less in the next month. We have a monthly sheet from the branch secretary, in which he states the number of members on each of the funds at the end of the month. You could not give the figures in any other way.

8643. It is not really a true comparison, for the figures do not include those who come on in the interim, and that seems to indicate that you must have had a larger number of minor illnesses, and that the longer the illnesses, the more likely they are to appear at the end of the month?—If those figures stood alone one might say that they are not very reliable, but when you take the money spent, you find it coincides, and that shows that our reports are not far wrong. The actual amounts spent in sickness for 1913 and for 1912 coincide with the increase in the claims; the one thing checks the other.

8644. Have your members any option as to the amount of sickness benefit available for them? Can they be insured for 10s., or for more or less than 10s.?

—A member can only get what he is entitled to according to his class. He can only join the class to which his trade entitles him. He pays the contribution according to that class, and gets the benefit.

8645. You have no reason to suppose that people are insured on your private side for a larger average amount than before?—Not on the private side.

8646. Would it be about the same?—Yes, about the same level as formerly.

8647. It is difficult to judge your actual claims unless we know something about the average age. Questions have been put to you with regard to that, and I should like to know whether your membership has much increased during the last few years?—Yes, we have had a great increase, but it is not all attributable to the Insurance Act.

8648. Was that during the last six years?—When trade is good, we always have a substantial increase, but when trade is declining we have a decrease. Every trade union is in the same position.

8649. You would not be able to tell us the average age of your new members? Would taking new members tend to make your average age much younger?—It would be possible to get out an actual statement on that point, but we have not got the time.

8650. If your new members were mostly young people, and those who remained on were older, we might judge from that as to what the average membership was, especially if you had a big increase in membership during the last two or three years?—We are carrying on a system of propaganda throughout the whole of the United Kingdom, and we reach young apprentices who arrive at the age of 16, or even younger. There is always a large number of our members who run in and out.

8651. Are your new members confined to apprentices?—No, we considered any man a new member who joined the society, even if he had previously run out. Since the Act came into operation, we have tried to avoid that, and to give him a number, in order not to lead to complications.

8652. You spoke of the extraordinary increase in your sickness rates, and you gave as one of the great reasons for that increase that there were a large number of people who wished to make the Act a failure?—I say that quite advisedly.

8653. Supposing that was so, if that did have such an extraordinary effect, one would expect it to be much more violent in some districts than in others?—Yes.

8654. I suppose that in some districts there would be great prejudice in this way, and that in others it would be almost absent. Have you found in any particular districts that the variation in your sickness rate has been much more marked than in others?—In the first place you spoke of the extraordinary effect; I did not say that.

8655. I think you misunderstood me. The increase of the sickness rates is certainly extraordinary?—Yes.

8656. Then if one of the principal reasons for that increase was the wish on the part of certain members to make the Act a failure, that appears to me to be still more extraordinary?—I did not say that it is one of the principal reasons.

8657. If all that is so, it seems to me that it should be possible to trace it to separate districts. Have you found that in separate districts, there is a much greater increase in your rate of sickness than in others?—In order to try and find that out, I got out the figures I gave you this morning, and I took 20 branches spread over the whole of the United Kingdom.

8658. I mean in limited districts?—Do you mean the manner in which the different influences are operating against the Act in the different districts.

8659. Yes?—I do not think that there is any great discrimination to be made in that way. I am inclined to think that it is pretty general. The districts with which I am most familiar are the north-east coast and Northumberland and Durham, where I am in personal touch with our members and others.

8660. (Chairman.) The figures stated to be "at the end of the month" showing the number of people sick at the end of each month, are open to the criticism

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Mr. Burn has made, that they are sample figures rather than a complete record of your figures?—Yes, but that is the actual position. While the number may be less or greater, that is the actual position at the end of the month. That is the last Friday in each month.

The witness withdrew.

Mr. J. FRITH (*Secretary of the Newbold Friendly Society*) examined.

8663. (*Chairman.*) Are you the secretary of the Newbold Friendly Society?—Yes.

8664. Is that a company registered under the Companies Acts?—Yes.

8665. But a company not for profit?—Not for profit.

8666. And it has two sides, has it?—Yes.

8667. One is the old business which the company carried on before the passing of the Act of 1911, and the second is the business of an approved society under the National Insurance Act?—Yes.

8668. On the private side, do your members insure for sickness benefit?—Yes.

8669. What is the benefit for which they insure?—We take in members from birth, and as they grow older they advance into various classes. Generally speaking, females pay 6d. per fortnight, and the sickness benefit is 6s. per week for 24 weeks, and after that 3s. per week during the remainder of the illness. In addition to the sickness benefit, each female member paying 6d. a fortnight receives 7l. at death. Males pay 9d. a fortnight for 9s. a week sickness benefit.

8670. How many members have you on the private side insured for sickness benefit?—Just over 20,000.

8671. And can you tell me how many are men, and how many women?—I am afraid not exactly, but about 10,000 females and 7,000 males. There are also a number of lower classes who receive rather less, but I could not give you the exact proportions. These are the two main classes.

8672. On the State side, how many insured persons have you?—10,000.

8673. How many are males and how many are females?—5,500 males and 4,500 females.

8674. Are the whole of the 10,000 persons also insured on the private side?—No, not necessarily all of them.

8675. What proportion do you think?—A large majority, probably 75 to 80 per cent.

8676. Then 75 to 80 per cent. of men, when they fall sick, are drawing something like 19s.?—Yes.

8677. And the women?—13s. 6d.

8678. Do you think that claims are being made against the society on the State side which are unjustifiable?—Yes, there is a general belief that that is so.

8679. When you say a general belief, do you mean among the managing committee?—Yes, a great majority of the people in our district believe that that is the fact.

8680. What makes you think so?—I think that there is a general misunderstanding, of course, as to the real basis, or cause, or justification for sickness benefit in the State. These old friendly societies have been more in the nature of benevolent or philanthropic societies, and any person who has been unable to follow his or her employment from any cause whatever, provided it was not his own misconduct, has been entitled to sickness benefit. They maintain that that is so in the State, and consequently I am afraid a lot of claims are being made unconsciously which are not genuine.

8681. In what circumstances are people entitled to sickness benefit on your private side?—Rule 11 (20) of our rules deals with this: "If any member becomes 'sick, lame or infirm, and therefore incapable of following his own trade or calling.' We pay sickness benefit for the slightest infirmity, and always have done."

8682. Have you found in fact that the claims on your private side have increased since the Act came into operation?—Yes, very considerably.

8683. To what extent?—For the nine months ending September this year the average sickness

8661. The other figures which you have put forward as to expenditure are not sample figures, but actual figures?—They are the actual expenditure.

8662. And on those we have to base our opinion as to the extent of your sickness claims?—That is so.

payments were 1,600l. more than the average for the past five years.

8684. The average for the past five years has been fairly steady, has it not?—Yes, fairly regular. Just over 10,000l. as a rule—10,200l., 10,300l., or 10,400l.

8685. Are your members mostly resident in or around Rochdale?—Yes, the great majority.

8686. Mostly engaged in the various textile industries there?—Mostly in cotton and wool, but also the general labouring classes. We have a great number of trade union people in the ordinary department.

8687. They take the trade union for their approved society?—Yes.

8688. On the private side, I suppose that you have been quick in the past to feel the effect of trade depression, or anything of that kind?—No, we have not felt it very severely.

8689. Have you not found that when trade was good, claims were lowest, and when trade was bad the claims were more heavy?—I am afraid that I am not in a position really to say yes or no to that.

8690. Taking your experience since 1908, have you found a tendency up to the end of 1912 for your claims on the private side to increase, or decrease?—The highest figure was in 1909, when it was 10,600l.

8691. What about 1908?—11,075l.

8692. There has been a steady though not a very pronounced drop from 1908 to 1912?—Yes.

8693. Which amounts in the total to something like 10 per cent. There is 1,000l. between the 1908 and the 1912 figure?—Yes.

8694. That has been a time of steadily increasing trade?—Generally speaking, yes.

8695. Has there been any such falling-off in trade in Lancashire in the course of 1913 as to account in any way for the increased figure in that time?—No.

8696. Trade still continues good?—Yes, there is a tendency now for a fall, but we have not felt it yet.

8697. Turning to your State side, will you tell me what your State figures have been since the Act came into operation?—In the case of men the total sickness benefits have been 2,076l. 6s. 10d. between January and 13th October.

8698. That is the first three quarters?—Yes. That does not include maternity benefit. In the case of women the amount is 2,410l. 6s. 11d.

8699. You are going to divide them into quarters, are you not?—For men in the first quarter the amount paid was 651l. 16s. 5d., for the second quarter ending July 13th, 827l. 13s. 1d., and for the third quarter, 596l. 17s. 4d.

8700. What are the figures for women?—For the first quarter, 712l. 17s. 1d., for the second quarter, 906l. 16s. 8d., and for the third quarter, 790l. 13s. 2d.

8701. Could you carry it further, and tell me how many of your 4,500 women are married, and how many single?—1,666 are married women.

8702. Could you express these figures in terms of pence per member per week?—I have not got them for the first two quarters. In the case of men, for the third quarter the cost per member per week was 1'89d. and the duration of sickness was 3'25 weeks. For women the cost per member in the third quarter was 3'32d., and the average duration of sickness in weeks was 3'65. There is a very singular fact that ought to be noted here. The third quarter includes the usual August holiday. It is very singular that we should have over 100 declarations-off in the day or two preceding the holidays in the State section. There is another singular fact that I have gone into, which is confirmed in our ordinary department. Our

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average weekly payment of sickness benefit in the ordinary society is 26*6*l. weekly, but in that particular week it dropped to 12*5*l.

8703. What is the inference you are asking us to draw?—That a good many people know when they have got a good thing on. This is the best 3*d*.-worth or 4*d*.-worth they have ever put their fingers on in their life, and they are going to make all they can out of it.

8704. What is the precise connection between that and the holiday week?—Most people go away on a holiday. We are very strict with them.

8705. You mean that you are so strict that they cannot manage to get sickness benefit for that week?—In the ordinary society a member must have been genuinely ill a fortnight and drawn two weeks' benefit. before we give him permission to go away at a holiday with benefit. All the friendly societies in Rochdale formed a federation some months ago, and appointed me secretary, and previous to this holiday coming along we decided that we would carry out the same rules with regard to the State section, and no member was allowed to go away for a holiday with benefit during the holiday week unless he had been on the funds for a fortnight previously—unless he had been genuinely ill. It was to prevent persons going on the funds of the society, say the Friday before the holiday week, and spending the holiday at our expense.

8706. I understand, then, that you attribute the excessive claims to a knowledge on the part of the Lancashire man of what he is getting for 4*d*. That is to a deliberate attempt to get as much as he can?—Yes, partly. They are vigorous people in many ways, and they will go for anything they can get.

8707. Do you think that they understand that what they are getting to a great extent is their own money?—No, I am afraid they do not. That is one of the great evils. Of course, in the ordinary society, administration has been very easy in a way. If a person has been from any cause not earning wages, he is paid sickness benefit without a great many inquiries. Of course, conditions are very different in the State section, and people presume that they are entitled to benefits in the State section just on the same lines as in the ordinary section.

8708. I understand that a man can draw, if he is on the two sides of your society, 1*9*s. per week, and he may possibly be insured also in another society, so that he may be drawing 2*4*s. or 2*5*s., or anything?—Yes. I should think that the majority of male insured persons in Rochdale—not the majority with us, but the male insured persons in Rochdale and district who are members of trade union associations—are drawing at least 2*9*s. to 3*5*s. sickness benefit a week.

8709. What about your people?—We cannot always tell, but there is a certain proportion of them who are in another society besides ours. In that case they are drawing 2*8*s. a week.

8710. What about the women?—They may be drawing 1*9*s. 6*d*.

8711. You had all these facts before you when the Act came into operation?—I suppose so.

8712. Do you find that people are malingering more or less, whatever that word may happen to mean?—I am afraid they are.

8713. Do you find that people are deliberately and consciously putting forward claims on the society which are fraudulent?—It is a very difficult thing to say, because every claim that comes forward has a medical certificate with it. I have in my mind one case which would have done well to go before a magistrate. It was a case of a man, a carter out of employment, who got temporary work labouring for mechanics. That particular work was done on September 4*th*. The man was then out of work. On the 10*th* he went to the doctor and filed a claim for benefits.

8714. What was he certified for?—As suffering from bronchitis. We paid him four days' benefit. On the 24*th* I found this man had not been to the doctor since the 10*th*. I rang up the doctor, and he said he knew nothing of the man. I said, "You must. Look up his card in your index." "Oh, yes," he said, "I

"have him here. I had a great suspicion of him "when he came. I have certain notes on his card, "temperature normal, pulse normal," and I rather "felt inclined to think the man was a little bit shady." I said, "But you gave him a certificate." "Did I?" he said. "Certainly." "What for?" "Bronchitis." He said, "I thought the man had gone to work a week ago. "I had no idea he was on the funds." Of course, I stopped his pay, and the language he used when he came to the office was something disgraceful.

8715. You did not pay him his benefit?—No. We have another case of a woman suffering from headache, who has been before the committee two or three times. They have constantly rejected her claim and now she has filed arbitration proceedings, and we have Sir James Duckworth to sit, and three or four others, and it is only one week's claim. There is a tendency in these cases for the society to admit the claim and pay the benefit rather than bother about the 7*s*. 6*d*. I do not say that they will in this case, but there is a tendency to admit the claim rather than have all the correspondence that goes on in the press, doing the society untold injury on its private side, as well as on the State side—all the members of the family, even to the most distant relative, giving notice of withdrawal all round. It is hardly worth 7*s*. 6*d*. One would rather pay it out of one's own pocket and get rid of it. The difficulty is that once you admit it, you have created a precedent.

8716. Did you make any inquiry into the case to know what she was suffering from—what the headache was a symptom of?—Menstrual headache. Quite different from the ordinary headache, of course.

8717. What did you find was the general attitude of the doctors when benefits became payable?—Some of them at the commencement had their back up a little bit, and were giving us certificates all round for the slightest ailment. But I must say that the majority are doing the thing very fairly. We have had a lot of trouble with them. I got the secretary to the local medical committee to call a conference, and for an hour and a half we talked at each other. I was almost alone and there were 20 of them, but I think it has done good since.

8718. What was the subject of the conference?—Generally the Act, and the giving of certificates and treatment to insured persons.

8719. Have you any complaint of the treatment of insured persons?—Yes, we have several cases. I had one doctor who absolutely refused to give a certificate to any person who did not declare upon his sick society.

8720. What did you do with him?—I could not get one of the members who made the complaint to go before the medical committee.

8721. Is he still carrying on the old practice?—I have not heard. The same man absolutely refuses to attend any insured person unless he has had his medical ticket in his possession for at least 24 hours. I have had one or two serious cases on this ground. One man had to go to the workhouse infirmary, and so on. There again I could not get the man to follow up the case, and bring it before the medical committee.

8722. You did not bring it up for him?—No. The man was a gardener who travelled about the country a good deal. We never knew where he was, and it was before travellers' vouchers were issued, and consequently the man kept his ticket in his pocket until he required it. He met with an accident to his ankle at Glossop, and struggled all the way to Rochdale and came to me. I advised him what to do. He went to the doctor, but the doctor would not look at him. He said, "I will make you look at it," and pulled up his trousers. The doctor said, "It does not matter, I shall not give you "any attention until I have had this in my pocket for "24 hours." The man used strong language, and quickly took it from him, and went away to the workhouse.

8723. Do you think that the doctors generally are paying attention to any difference which you suggest exists between incapacity for work and being ill?—No. I am afraid the term "incapacity for work" is at the root of the whole matter. Many doctors maintain

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that if a person, for any legitimate cause, is not in receipt of wages, the sickness benefit should be to supplement wages.

8724. Do you find that you always get the nature of the disease stated on the certificate?—We get some disease.

8725. The thing that is the disease—not illness or headache?—We refuse those. I was told pretty straight by a doctor some weeks ago to refuse any certificate issued by him or his assistant for illness, headache, debility, anaemia, constipation, neuralgia—about six or seven different ailments.

8726. Do you refuse them?—Yes.

8727. What happens?—A big row, of course. The member and all his family appear before the committee, and we sit till almost midnight at each committee meeting.

8728. You do not try to get another kind of certificate?—Yes. We have sent some to other medical gentlemen.

8729. Do you not try the same doctor, and ask him to be more explicit?—Frequently we do. Once a doctor rang me up on the telephone, and said, "I have issued a certificate. There is nothing the matter with him; do not pay." When the man came I said, "I cannot pay." There was a big row. He wanted to know why, and I could not tell him. Generally speaking, when the claim is unsatisfactory I issue one of these forms, which reads, "With reference to your recent claim for sickness benefit we would point out that —, as certified by your doctor, cannot be accepted in itself as a sufficient cause of incapacity for work. We must ask you, therefore, should you wish to prosecute your claim, to show this to your doctor, and to request him to give us further medical evidence as to the primary cause and nature of the complaint before your claim can be admitted."

8730. Do you yourself at the same time write direct to the doctor, and ask him to give it to the patient?—We let the patient do that.

8731. In the old days, on your private side, or now, for the matter of that, is there any particular doctor who acts for the society?—No.

8732. You took any certificate?—Yes.

8733. From anyone in Rochdale?—Yes.

8734. What used you to do with the certificates that you thought unsatisfactory?—I am afraid the society paid. As I have stated, it is one of those societies which started 80 years ago in a public-house in a philanthropic way, and they paid benefits on certain contributions, and took very little notice of the health of the member, but so long as they got a certificate from the doctor that they were not following any employment, they were entitled to benefit, provided they were not doing any work.

8735. Was it a society which further did not pay very much attention to the relation between the contribution and the benefit?—I am afraid so in the past.

8736. Did that continue right up to the time it became a company?—I cannot say for that. The past history of the society is somehow shrouded in mystery, and I cannot get any documents.

8737. What did the last valuation say?—I have no idea. I have not a copy.

8738. You do not publish a valuation now?—No. I fancy that was the reason why 20 or 30 years ago they dropped off the valuation. I rather think it was because they were late that they were struck off. I do not know that there was any question as to their real valuation, but what I know about it is simply hearsay.

8739. If I asked you what you did with any surplus funds, you would not be able to answer, because there have not been any?—I could not tell you.

8740. How long have you yourself been secretary?—Since September 1912.

8741. You came in in connection with the Act?—Yes.

8742. Returning to the doctors, have you found a difficulty in getting the certificates dated at the time you think they ought to be dated?—There has been a

tendency on the part of doctors to ante-date their certificates. A person has been at home several days not attended by a doctor. Then he goes to the doctor and says, "I have been at home three or four days since so and so." The doctor says, "All right; I will sign your certificate."

8743. What do you do when you find that out? Do you not take up these cases?—We generally complain to the doctor, and make full inquiries frequently from the employer.

8744. Then what do you do?—I am afraid we have to pay the benefits.

8745. Have you any members in Manchester and Salford?—Not a great number. Perhaps not more than 30 or 40.

8746. Not enough for you to base any considered opinion upon?—No.

8747. You have not noticed any consequence arising from the difference of the method of paying the doctors which is in force in these towns?—We had occasion to send our special visitor there only yesterday. A man and his wife were sick and were receiving between them 32s. 6d. per week. They were very comfortably off without going to work. We sent our visitor, and the husband is bed-fast, but the wife is declared off the fund. I could not state that it is in consequence of the difference of the medical benefit arrangement.

8748. Will you tell me a little more about the way the society actually does its business. Of course, it is a centralised society with no branches?—Yes.

8749. It employs collectors?—Yes.

8750. How many are there?—Seventy.

8751. How are they paid on the private side; by commission?—No, they have 3s. 9d. a week.

8752. That is not all they live on?—They are all spare-time men, who do it for a hobby in their evenings.

8753. Are there no whole-time collectors?—None.

8754. And they do not get any extras?—No. The whole of Rochdale and district is divided into 35 areas. To each area or district we have two collectors and one committee-man. These three officers are appointed by the members residing in that circumscribed area. One is known as the cash-collector, the other the bookman, and the other the committee-man. The collectors go together, and check each other. The same three are officers, as it were, in the State society. They collect and distribute all the insurance cards, and do all the other necessary work—payment of sickness benefits, visiting of sick members and so on—and for that there is 3d. per card brought in per quarter.

8755. A shilling a year?—Yes, no other fee. They pay sickness benefit every week, supervise the members who are on the sick fund, and note removals and all the rest of it.

8756. Do they pay sickness benefit on a specified fixed day of the week?—Yes, we make up the sickness register to Wednesday night each week.

8757. And they pay on the Thursday?—No, on the Wednesday.

8758. They act as collectors so far as the State requires collectors, and as payers and supervisors?—Yes.

8759. Are they the only sickness visitors there are?—No.

8760. Are they all men?—Yes. The collector pays the money, and in addition to that the committee-man of the district must visit each male member every week, see his continuing sickness sheet, note that it is signed by the doctor, and also note that the member has been visited by the ordinary visitor. Then in addition we have a special whole-time visitor, who goes about promiscuously wherever a district seems to be heavy, and visits there. That is simply on the State side. If a person is also a member on the ordinary side, he gets two more visits, so that I am afraid on the whole our members are somewhat over-visited, and they are raising loud complaints about it. In each district we have three persons who are visiting. They are always in and out of the district. It is a very small circumscribed area, and a member never knows

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at any moment when he turns a street corner that he may not run into one of our men.

8761. Is this all done in the evening?—Not necessarily, but, generally speaking, it is. All the men go to work, but they come home to breakfast, they are in again to dinner, and then in the evening they are always about. Our ordinary visitor—our sickness visitor—also visits them.

8762. Who is the sickness visitor?—He is a man who has been sickness visitor for the ordinary society for some years.

8763. Is there only one sickness visitor?—One special visitor for the males.

8764. And what is he paid?—His salary is 35s. a week, but he is vice-president of the society, too.

8765. Who visits the women in sickness?—In the ordinary society they are visited just as the men are. In addition—that is in the State—we have two nurses, whom we appointed visitors, and they visit them.

8766. Are they whole-time people?—Yes.

8767. They are paid a regular weekly wage?—Yes.

8768. What is it?—One 22s., and the other 11.

8769. Have they to get round to all the people who are sick in the course of the week?—Yes, all the females.

8770. Is every woman who is sick in the course of a week visited by one of these women?—Yes. Each person visited has a visitor's report giving the name and address, nature of the illness, name of the doctor, district number, and so on. Then date of visit and any remarks as to whether they are improving, or whether there is any doubt. That is a private report, which will eventually constitute a history of the member, as it were.

8771-2. Has the committee-man power to pay without referring to you in the first place, or do the sickness certificates come to your office, before any payment is authorised?—Every claim and every certificate comes to the office by post or by hand.

8773-4. It is not the business of the collector to collect these certificates?—No, he never touches them.

8775. Do you make up your mind whether they are to be paid or not?—Yes.

8776. Then, do you instruct the committee-man?—No, I instruct the clerk to put them on the sickness list. Then the clerk writes out the continuing sickness sheet, and that is posted the same evening to the committee-man. He then informs the collectors in his district, and then all three know that that man is on the funds.

8777. Do they thereupon pay him?—No. The committee-man takes the visiting sheet. That is his introduction. That is the first visit, before the man receives any pay whatever. On the Wednesday evening, if there is any benefit due to the member, the collectors come to the office, and take the money and pay it the same night.

8778. Do you give them the precise sum necessary to pay the actual members sick in the district?—Yes.

8779. They have nothing in hand?—No.

8780. If there is anything going on, which ought not to be, what do they do?—They bring the money back to the office. They are pretty keen.

8781. Of course, that is not the final step?—The payment is suspended, and the member comes before the committee.

8782. What sort of things make them do that?—If we catch a member out after 6 o'clock in winter or 8 o'clock in summer, or if he is entering or coming out of a public house.

8783. If they find a woman dusting a mantelpiece?—They would bring her up.

8784. Washing the children?—A woman in the ordinary section is allowed to look after her own infants.

8785. But what is done on the State side?—I am afraid they would stop her.

8786-7. Making a fire?—Certainly.

8788. They have done it all along?—If a woman is sitting mending stockings by the fire, it is rather hard, but they do it.

8789. Does the committee uphold them?—Yes.

8790. What happens? Are they reported to the committee?—Yes, and they go into the whole of the facts.

8791. Do they give them notice?—Yes, we send them a summons to attend.

8792. What punishment is inflicted if they are found guilty?—Generally a week's sickness benefit, and suspended for may be a month, or, if they think it is only a light case, they will caution them, but it is generally a fine. Sometimes a day or two days, sometimes a week. Very frequently when they seem to be having a good many claims at one particular period or from one particular district—

8793. You strike one or two off to encourage the others?—Yes; suspend them for 12 months.

8794. With regard to medical referees, there seems to remain a residuum of cases in which you are doubtful?—Yes.

8795. What makes you doubtful of a case, because you told us that you have a doctor's certificate, and how you deal with it, and you have an elaborate system of sick visiting? What is it that causes you to have any further doubt?—The general attitude of a member. I have a case which I can refer to. We had a case of a woman who has been on the funds for 22 weeks and 4 days. Her first certificate was for anaemia. We were very doubtful about this. Both our visitors made statements which we did not like.

8796. What sort of statements?—The statement that they thought this member was able to do some work.

8797. What caused them to come to such a conclusion?—Her own appearance. She was a fine-looking woman with a good colour, and was knocking about the house. They did not catch her doing anything. They frequently met her knocking about the town apparently in good health, and they were suspicious on every occasion when they went.

8798. At last they said, "We will send her to the referee"?—No, I got on the telephone to the doctor. They suspected that, if there was anything the matter with her, it was certainly not anaemia. The doctor refused to state what was the matter with her, and at the finish she declared off on October 15th.

8799. You do not know to this day what was the matter?—No, but I am sure that it was not what was stated by the doctor.

8800. Do you find much difficulty in getting doctors to disclose what is the matter for confidential reasons?—Yes, I am afraid we do.

8801. Do you find that they are willing to let you know when they are not willing to write it on the certificate?—No, I cannot say so. Only in one instance have I had a note accompanying a declaring on certificate, giving the reason, when they did not want the members to know.

8802. What was it?—I do not remember the facts now.

8803. Do you take steps, in the case of women, to see that the information you get is kept confidential?—Yes, generally speaking it is.

8804. What do you do? It has got to be carried round by the men on the continuation sheets?—It is on the members' continuation sheets, and we ask the doctor to put it on, but I do not know that the information goes anywhere else unless the member takes it.

8805. What steps do the women visitors take to find out whether the women are suffering from the illness they are said to be suffering from? How do they test the suspicions which they have formed? In the case of this fine-looking woman, what did the woman sickness-visitor do?—They are both trained nurses, and they have some medical knowledge, I suppose, if it is very faint. It is more than I have, and they could certainly form a better opinion by conversation, and asking questions, and frequently asking whether they have done so-and-so, as the doctor recommended.

8806. You were going to tell us about a man who was said to be suffering from gastric catarrh?—He has been on the fund three times. The first certificate was dyspepsia, the second gastritis, the third gastric

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catarrh, and then the certificate of the doctor was gastric catarrh again in August. Our own medical referee told us that he wanted some new teeth, and he would be quite all right. Then he went to another doctor who said he had duodenitis. Then after this had been before the committee three or four times, we sent him to an independent medical referee who happened to be the referee under the Workmen's Compensation Act, and he told us that the man was able to do light work with benefit to himself. The case then went before the arbitrators, and after a long hearing the arbitrators said that on the information and on the doctor's certificate they considered that the man was unable to follow his ordinary employment, but was capable of doing light work. That man was unable to follow his employment on the evidence of four or five medical gentlemen. Is he entitled to State benefit?

8807. How many cases have you sent to the medical referee?—138.

8808. With what results?—108 have been declared fit for work, and 30 were reported to be unable to resume their occupation at that period and were allowed a week, a fortnight, a month, and so on, as the referee decided.

8809. Of the 138, how many were men and how many women?—43 men and 95 women. Of the men 11 were allowed to continue benefit, and 32 were disallowed. Of the women, 19 were allowed benefit, and 76 were disallowed.

8810. In the case of a certificate which certifies that a woman is suffering from pregnancy, do you pay or not?—No.

8811. Do you pay in no circumstances, even if it is right up to the last month of pregnancy?—Not on that particular certificate.

8812. It is a common custom in Lancashire for women to stop away from work for the last month?—Three months, if they can. I have one who has been on the funds 25 weeks.

8813. What was certified in that case?—Varicose veins. But on pregnancy we do not pay, and the doctors get to know and will not certify it.

8814. Supposing you get a certificate which says simply pregnancy, what do you do? Do you simply refuse?—We generally instruct the member that it is not an illness, but if there is another illness running in conjunction with it, it is different.

8815. Supposing a woman with regard to whom he has certified pregnancy takes the certificate to the doctor, and comes back next day with pregnancy and something else?—When they get something else, we have to pay.

8816. I ought to have asked you who are the medical referees?—One is a gentleman who is certainly very antagonistic to the Act.

8817. Is he on the panel?—No, and if he knows a case is a State case, he will not go, so we do not disclose the fact that the member is a member on the State side.

8818. Is he a consulting physician?—No, a general practitioner.

8819. In Rochdale?—Yes.

8820. Have you a general arrangement to send people to him?—Yes, and have had for 20 years.

8821. At a fee for each case?—Yes.

8822. What is the fee?—In certain areas of his own practice 2s. 6d., in others 5s., and in others 7s. 6d. It depends on the distance.

8823. Who is the other?—He is a gentleman on the panel, a certifying surgeon in Rochdale.

8824. He has come on since the passing of the Act only?—He came on at the beginning.

8825. What do you pay him?—The same fee.

8826-7. And the cases are fairly evenly distributed between the two? What causes you to take one rather than the other?—I do not know any reason. Only that the certifying surgeon is so very busy, and takes longer to report. We have to wait a month for his report sometimes.

8828. Have you found that the panel doctors do not like it when the medical referees examine their patients?—They very often get annoyed.

8829. Do they go to the consultation when the referee sees their patients?—No, they do not know he is going.

8830. Do you not think that it would be an advantage to tell them?—It ought to be done, but our people do not do so.

8831. (Mr. Warren.) Have you had much experience of friendly society work?—No, personally, not inside.

8832. Did I gather from your remarks in the beginning that you spoke of these friendly societies operating in Rochdale as being more or less of a benevolent and philanthropic character, paying benefit without very much inquiry in cases of unemployment?—Not necessarily that, but it has always been looked upon, more or less, as a philanthropic or benevolent society, if you like.

8833. Your particular society?—All the societies in Rochdale. They are all of one character in the district.

8834. As a matter of fact in Rochdale the large friendly societies, such as the Hearts of Oak, the Ancient Order of Foresters, and the Manchester Unity, have not a large operation?—No.

8835. You have only small societies peculiar to Rochdale?—That is so.

8836. So that the usual practice of the larger affiliated friendly societies is not observed in Rochdale?—What do you mean by usual practice? I maintain that we are stricter than they are.

8837. You maintain that the societies operating in Rochdale are stricter than the old friendly societies?—Yes.

8838. And yet those to which you refer pay benefit under such circumstances as you have mentioned. The benefit is obtainable quite easily?—Because these large friendly orders have never admitted women. We have always done so.

8839. Your remarks then are more confined to the women's side?—Generally speaking, we find that there is little malingering amongst the men, because they say it pays them to get to work, and you can catch men where you can never catch women doing work.

8840. Your committee of management is elected by the members?—Yes.

8841-2. And it has the power to hear and decide appeals. Have you had many appeals in respect of State insurance against your decision?—Yes, about 50 to the committee of management, not important appeals, but in connection with breaches of rules, &c.

8843. But disputes as to the payment of sickness benefit?—We have not had many.

8844. You regard the committee of management as a court of appeal?—Yes.

8845. And every member has a right to be heard if he so desires, if he has, or imagines that he has, any grievance?—Yes.

8846. So that there is ample opportunity for every member to be heard?—Yes.

8847. Your committee of management also act as sick visitors under your rules?—Yes.

8848. There are 35 areas?—Yes.

8849. With two sick visitors in each area and a committee man?—Yes.

8850. Does your committee of management consist of 105 members?—No, two collectors in each district, and one committee man.

8851. Then you have 35 members on the committee, and really 35 sick visitors?—Yes. By the way, the whole committee never sits on cases all at once. They divide themselves into sub-committees or sections. They meet as a body once a quarter, or oftener.

8852. I am dealing with them for the moment as sick visitors. There is one sick visitor to every area?—Yes.

8853. And according to the rule a visit is supposed to be made at least once in a fortnight?—Once a week. In the ordinary way a committee-man must visit once a fortnight, and the collector must visit once a week in addition, so that when the committee-men visits, that is the second visit that week. That is in the ordinary society.

8854. You think in all cases that that is carried out?—Yes, generally speaking.

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8855. So that for a society of your size, you would say that your sickness supervision was fairly satisfactory?—Yes.

8856. They would not have much chance of malinger without being found out?—That is so.

8857. Can the Committee take it that, generally speaking, your members are known to another?—Oh, yes, in their immediate vicinity.

8858. And that therefore there would be a certain check?—We frequently get one member reporting another.

8859. Have you any annual meetings?—Yes, and quarterly meetings.

8860. Do the members attend in any number?—They do.

8861-2. They have not the same opportunity of knowing one another as they would in a friendly society?—Yes, more, because your lodges never meet in one body, and ours do.

8863. In your society there is ample opportunity of members knowing one another, and meeting together, and therefore acting as a salutary check on any wrongdoing, or any attempt to obtain unfairly the benefits of the society?—Yes, there is.

8864. And your rules with regard to the conduct of members whilst in receipt of sickness benefit are strictly enforced?—Very.

8865. As to hours?—Yes. In some cases I have felt since I have been there that it has almost been harsh. It has acted harshly even in some State cases.

8866. Does unemployment, in your opinion, have any effect upon claims?—I cannot answer that from personal knowledge, only in one or two cases have I had suspicion. One I have quoted, another I have in my mind.

8867. May I take it as a matter of fact that, during the time you have been secretary of the Newbold Society, trade has been very good in Rochdale?—Yes.

8868. And then, with regard to compensation cases, are you strictly observing that part of the Act?—Yes, so far as the lawyers will allow us.

8869. But you are not paying sickness benefit during cases of compensation?—No.

8870. In the old society, prior to national insurance, did you confer a medical benefit as one of the benefits?—No.

8871. So that you have had no previous experience of the medical profession?—No.

8872. (*Mr. Burn.*) I understood that before the National Insurance Act came into force your society paid benefits with very little trouble. They did not make very strict inquiries as to whether it was a real case, in which sickness benefit should be allowed, or not?—A man must have been away from work on account of illness. It may have been a very minor ailment, but he must have been away from work.

8873. My point is this, that, as I understood you, when you were speaking of the National Insurance Act you say that your members were rather under the impression that they were entitled to benefit in the same way under the National Insurance Act as they used to be, the assumption being that they were more frequently able to obtain benefit under the old society than under the National Insurance Act?—Yes.

8874. That being so, does it not seem to you very extraordinary that your sickness rate on the private side, now that you are treating them so much more strictly, has increased?—That is because all loyalty is thrown to the winds. Take the great insurance societies. You find that they pay benefits, and, in fact, encourage their members to go on the funds. Now, when one of our members hears that so-and-so in such a society, who has nothing the matter with him, has been drawing benefit for three weeks, the tale goes round that he is paid without a word, and paid a week before time, and our members turn round and say, "If you can get that, I am going to have the same."

8875. Do you say that in the big companies they pay benefits in order to encourage members to go on the fund?—Yes.

8876. Yours would not do that?—No, they have not the same incentive.

8877. Actual cases have come to your own notice?—Yes.

8878. With regard to the medical referees, you quote 138 cases which have been referred to referees. Would that mean 138 cases actually sent to the private medical referee, or 138 cases in which notice was given to the insured person?—No. I think we have had a certificate from our medical referee in all these 138 cases, an actual examination and a certificate.

8879. Would there not have been a considerable number in which you had given your member notice that you would require him to attend on the private medical referee, and having given him that notice, he preferred not to go?—No, we do not give the member notice. We tell our medical referee to visit him on his round. He does not know our man is going, and neither does the doctor.

8880. (*Miss Macarthur.*) Have you any women on your committee?—No, we have not.

8881. So that your women members, when they are dissatisfied, have to appear before a committee of men to discuss their ailments?—They do not discuss their ailments, generally speaking. The majority of cases are cases of breach of rule. That is, they are found doing some work when they are on the funds. Medical questions are never brought up before the committee.

8882. Would it not be an advantage to have women on the committee?—Undoubtedly.

8883. With regard to sickness benefit after confinement, as apart from benefit during pregnancy, is there any definite period for which you pay?—Of course we pay the month. We have made arrangements with the medical profession to pay the first month without any continuing sickness certificate, because the doctors turn round and say, "This is a case of confinement; if we issue a certificate, we are going to charge every woman a shilling for every certificate for the first month." We said that that would be very unfair, and we allow the first month to elapse without a medical certificate in cases of confinement. After that we expect one.

8884. If you get a certificate after the four weeks?—We continue it.

8885. For any length of time?—Yes.

8886. You would not question such a claim the sixth or seventh week?—No, we have paid one for 25 weeks, and the confinement has occurred this week. We have paid subsequent to confinement for 23 up to 26 weeks.

8887. Surely in that case you have some complications on the certificate?—Generally speaking, they have been serious cases, of course, but I might say that the bulk of our claims for the past three months have been confinement cases.

8888. You have not got any figures as to the number of married women in your society?—1,666.

8889. I gather from your outline of evidence that you attribute a good deal of your deficiency to this non-distinction between illnesses that incapacitate for all work and some work?—I feel somehow that nine-tenths of the trouble in the administration of the Act is due to that.

8890. But some doctors inform you that members who are not incapacitated from all work require some weeks' rest to prevent breakdown?—Do you pay in such cases?—In some we do, in some we do not. We generally consult the doctors. I have a certificate which was dropped into my box the other day: "This patient ought to be in bed for three or four months in order to recover from her illness." She had been on the fund, and was now knocking about, and we proposed to take her off. "Otherwise she may continue off work practically continually for anything up to 10 years, if she ever gets better. Decide for yourself which you find cheaper." That is a confidential note from the doctor. Of course, we left her on and sent nurses to visit her, and gave all the assistance we could.

8891. You feel that cases of anæmia, nervous debility, and influenza, though not incapacitating from

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work, require absence from work to effect a cure?—It is cheaper, too, for the societies, but the difficulty is that in many cases we cannot pay them simply because of our interpretation.

8892. What do you mean by this: "If the Commissioners consider these genuine claims for benefits, then the great majority of claims are certainly justifiable"?—They are. You find that in Rochdale and in Lancashire we have a very humid atmosphere, and though we do not get a lot of what you might call summer diarrhoea or spasmodic epidemics, we have generally throughout the year a regular number of rheumatic patients, bronchitis, and anaemia, and what you might term, for want of a better name, influenza.

8893. On this statement I understand that you do not complain that there is malingering?—I do not complain that it is malingering, only the Commissioners state that the person must be totally unable to do anything. These persons are not unable to do anything. If that is the interpretation of the term "incapacitated for work"—if that means that a person must be practically bed-fast—of course, these are not legitimate claims; nevertheless, in my own opinion, they are cases of illness, they require medical treatment, and they are better treated, and more quickly returned to good health by being at home in the hands of the doctors for a week or two.

8894. And that is responsible for the majority of your excessive claims in Rochdale?—Yes.

8895. There is another point here. You think that part of this large sickness is due to what you call arrears of sickness?—I daresay there is a certain amount of that. We have people in the mills—a lot of young girls in a very confined and close atmosphere, who take no pains with themselves, come out of the hot mill into the cold air and dress foolishly; consequently they are very soon ill. They never bother to go to the doctor. They are indifferent about their own case until they are compelled.

8896. Do you mean by that, that cases of illness, which did not formerly reach the doctor, now under the Insurance Act do reach him?—Yes.

8897. And that therefore arrears of sickness are being dealt with?—I think so.

8898. I think you feel that your heavy sickness is partially caused by the industrial conditions of Lancashire?—Oh, yes.

8899. Will you tell us why you think that?—Take the card room, with its heavy work and its vitiated atmosphere—no ventilation, and so on. Of course the air is very different from what it is in the South. It is mostly damp. Take the weaving sheds and the filling in of the warps with size, china clay, and the other things. If you go into a weaving shed at 10 o'clock in the morning, you see all the girls working with their blouses and dresses quite damp, and their hair too. It must have an effect on them.

8900. Then you attribute part of the excessive sickness to dusty atmosphere and little ventilation in the weaving sheds?—Yes, generally to the conditions of labour. When you come down to the waste places, they are most terrible places. Of course, you get a very low class of people in them.

8901. A good many of these people are married?—I cannot say how many of them are. Many of them are, I think, particularly in the card room. They have got to put forth a certain amount of energy, and they must turn out a certain weight of production; otherwise, they must go.

8902. After they have done their work in the mill, they have to do other work at home?—Many of them do, if they have their own homes.

8903. And to these special conditions you attribute a good deal of sickness?—A good deal of the sickness in Lancashire is attributable to the life in the cotton mills.

8904. Do you see any prospect of reducing the incidence of sickness?—There is a prospect, and that is by being harsh and Unconscionable, but I do not like that way of doing it. It is not genuine, and it is not right. If you are going to turn off every person who is able to do a little dusting, or to sweep up the

floor, or to mend a few stockings whilst sitting by the fire, or to do a little sewing, it will be hard treatment.

8905. Apart from that, you do not see any prospect?—No, our sickness rate for women stands at 4·59 per cent.

8906. Is the sickness increasing?—Taking off the holiday week for the last period it was 5 per cent. This period, ending October 13th, it is 4·59 per cent. There is no doubt that a lot of this heavy sickness is consequent upon married women labour. There are a lot of married women whose parents live with them, and they find that 13s. 6d. per week almost approaches the amount they receive when working. Consequently, there is no incentive for them to go to work, because if there is someone else in the house to do the work, they need not do anything. They should be the first to get back to work, but unfortunately they are not. They find it very nice to be at home, their mother or someone else doing the house-work, and they receiving 13s. 6d., a sum which is almost equal to their wages.

8907. You are surely contradicting yourself. Are these people ill or are they not?—On the doctor's evidence they are, but according to the Act they are not entitled to benefit.

8908. I think that you said that the majority of your excessive claims were due to this incapacity for some work?—Yes, as stated by the doctors. Of course, these are certificates given by the doctors, and there is no doubt that genuine cases of anaemia do require treatment; but are they all genuine?

8909. If they are not genuine, and you have very careful sick visiting, you ought to have more hope about reducing the sickness incidence?—I am losing hope from letters I am receiving from the Insurance Commissioners on particular cases which I have referred to them. The doctors I feel are doing their best, and I wish I could see a prospect of reducing the sickness incidence. Some doctors are being strict, and, of course, others are not. We have got to supervise those doctors' patients and to keep a strict eye on them, but even then the doctors turn round and say, "Well, I say so-and-so is ill, suffering from this, that, or the other." You are up against the doctors all the way along.

8910. (*Dr. Lauriston Shaw.*) Have you any information as to the number of the letters you send out to applicants saying that you cannot accept the certificate?—I have not had that in force very long. I have not got this one out personally, but I have got three or four others out, and we have been doing everything we possibly could to get to know if a case is genuine or not.

8911. You have sent some out?—Yes.

8912. Do you know what proportion of those who have received them have immediately declared off?—Very small. They are generally taken to the doctor, and the doctor certifies at the foot.

8913. You generally get fuller particulars from the doctor which satisfy you that the case is genuine; at any rate, you have to pay?—Yes.

8914. Have you any idea whether you are paying claims for sickness which is due to the patient's misconduct?—That is a very difficult matter to find out, unless we have evidence from another source. The doctor always says "No." It is only in the case of injuries caused by a man getting intoxicated, or something of that sort, that we can find out, unless the medical certificate gives a specific case.

8915. Have you in any specific case had a medical certificate showing that the illness was due to misconduct?—Not one.

8916. (*Dr. Pearce.*) You say in your outline of evidence: "In the hurry and general scramble many persons were admitted who ought not to have been"?—Yes.

8917. What do you mean?—People who were bad lives.

8918. You mean that they would not have been admitted in the former society?—They were probably members, and I blame the society for admitting them. As I understand, the committee gave distinct instructions to their officers that they were not to accept any persons who were known to be bad lives, and they

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scrutinised as far as possible all the applications that came in, but I find that a number of people whose application forms were rejected, and who are members, got in by some other means. They were overlooked, or they got in some way.

8919. Do you know if many of these bad lives have been on sickness benefit for the full period of 26 weeks?—I do not say that they have been on for the full 26 weeks, but they are on and off periodically.

8920. Is it those bad lives only that you refer to as arrears of sickness?—Oh, no, mostly the younger members. The biggest difficulty with us is with the younger people—people under 40 or 45. If there is any malingering, it is with the young married women and young women under 40.

8921. I am not referring to malingering, but to real arrears of sickness. It is not only these bad lives, but it is outside them as well?—Oh, yes.

8922. Taking your figures of increased sick payments, if you compare 1913 with the previous five years, as you have done, there is an increase of 15 per cent. To what extent do you think that bad lives and arrears of sickness account for that 15 per cent.?—Of course, this covers the whole society, and I could not say how many of these members have been on the State side, and have been drawing the ordinary benefit in addition. This covers 20,000 of the ordinary society. At the same time, the majority of our members in the ordinary society are State-insured members, probably receiving State benefit somewhere or other.

8923. Supposing the increase in your State section corresponded, and was 15 per cent. in the past year compared with the previous five years, do you think that the arrears of sickness and bad lives would account for much of it, considering that on those two points the excess is very great?—It might do a little, but not very much.

8924. Take the question of continuing certificates, what do you mean by saying that in many cases these are signed without the member being seen?—From what we hear, continuing certificates are being given regularly. Our officers go and say, "You have not your sickness certificate signed; I shall not pay you." "All right," the member answers, "I will send my little boy or girl to get it signed."

8925. How do you know that the doctor has not seen that person?—He certainly has not seen him that day, and in many cases the patient has not received treatment, although the doctor has signed the certificate.

8926. I admit that the child may be sent for the certificate without the doctor having seen the patient that day, but how then do you require your continuing certificate signed?—Once a week.

8927. On the same day?—Not necessarily, within two or three days of payment.

8928. Do you realise the impossibility of a doctor seeing a patient on a given day in each week?—Yes.

8929. You realise that it is impossible for a doctor to see a person on the day on which you require the certificate to be signed?—We do not require it to be signed on a specific day. If the doctor sees the patient during the week and signs the sheet, that is satisfactory to us.

8930. If a doctor signs the certificate on the Wednesday, and does not see the patient until the following Friday week, would that be sufficient?—No. If a patient were seen to-day, and the certificate were signed to-day, his sick pay would be due to-day, and by next Wednesday he must have another signature.

8931. But if the man has a broken leg, and the doctor knows that he cannot do anything, must he go on signing the certificate?—Not necessarily. If a man had a broken leg we should know very well that he was incapacitated, and we should not be as particular about his certificates.

8932. (Dr. Fulton.) You have spoken about the difficulty with reference to the phrasing "incapable of work"?—Yes.

8933-4. What interpretation are you using?—I have always stuck to the interpretation given in this book—"The Law of National Insurance," by Orme Clark—"Incapable of work. This expression would appear

"to mean incapable of doing any work at all, and consequently a person, who, though somewhat incapacitated, is still capable of doing light work, will "not receive benefit." That is the interpretation we have put upon it.

8935. You have not got the Commissioners' interpretation?—No, I have not.

8936. But you consider that "incapable of work" might be interpreted in another way, and as meaning "incapable of doing their usual work"?—Yes, I feel that medical gentlemen usually do believe conscientiously that if a person is rendered incapable of following his own occupation, he is entitled to sickness benefit. But they are not then necessarily incapable of work.

8937. Under your ordinary section or your old society, would you pay them if incapable of following their ordinary occupation?—Yes.

8938-9. Do you ever pay on your ordinary side and refuse on your State side?—Yes, here is a case. We are bound to pay it on the ordinary side, but I cannot on the State side.

8940. Then you have very strict rules with reference to those in the ordinary section?—Yes.

8941. Especially with regard to pregnancy?—Yes, we pay nothing for pregnancy until a month after birth. 8942. You have another rule, rule 11 (5) in the ordinary section: "No sick pay shall be paid to male members if sick for less than three days, nor to female members if sick for less than a week." That is to say, if a female member goes on to the funds, she must go on for a week?—Yes.

8943. What was the object of that?—Many members are able to go back to their work in the course of a day or two.

8944. So that if a woman goes on, she must go on for a whole week?—Yes.

8945. Is that a very unusual rule?—I think it is usual with all friendly societies. They will not pay for less than a week. If a female member is able to resume her occupation before the end of the week, they will not pay.

8946. Your supervision is as efficient as under the old regime?—Yes.

8947. And your relations with the doctors the same as formerly?—We had no medical benefit then.

8948. You have no control over them?—No.

8949. So that you are in as good a position with reference to the doctor as you were before?—Yes.

8950. Perhaps better?—Yes, we can approach the doctor now, whereas we did not know who he was before.

8951. And you can approach the insurance committee also if he is not doing his duty?—Yes.

8952. And in spite of that your sickness has gone up?—Yes.

8953. Although your visiting is as thorough?—Yes.

8954. So that there must be some cause other than the doctor which accounts for this?—A person may be ill, and yet not incapable of work. I could point to half a dozen clever young men who are working up a practice. They perhaps have five or six in a family with one insured person. If they turn round on that person and say, "I cannot give you a certificate, you are not incapable," they are hitting themselves on their private side. These men are business men, and we must expect them to look after their own interest. A doctor will give a certificate, and then ring me up, and tell me not to pay benefit.

8955. So that really on the quiet you are receiving a good deal of assistance from the doctors?—From some of them. There was one case yesterday. The member is certainly going to report it to the Commissioners. He is going to have arbitration, but on the doctor's own statement I cannot pay him, and yet I am not allowed to give that information practically to my own committee. It is an unfair position to be placed in.

8956. You have spoken of medical men ante-dating certificates several days?—Yes.

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8957. In that case they would in all probability know the patient. He would be an old patient?—I do not know.

8958-9. Taking it generally, you believe that when a doctor certifies a member to be incapable of work, he believes it to be a *bona fide* statement?—Yes. The difficulty in some of the cases is this: A man goes to his doctor and gets treatment. The doctor gives him a certificate, and then the man goes back to work for two or three days. I have a case here where a man went to work for two days after the doctor had given him a certificate of incapacity. When I drew the doctor's attention to it, he was very indignant. It may not have been the doctor's fault, but the member's fault.

8960. (Mr. Watson.) Will you tell us in what circumstances a person can be incapable of the sort of work that your members usually perform, and yet be capable of following some other occupation?—Take any person who works at a mill unable to follow her own employment, and yet able to do any kind of house work or light house work.

8961. You limit it to that, do you? Do you state that as one example, or is that the ordinary case you had in mind?—If a person is unable to follow her own occupation we pay benefits in the ordinary section, but in the State section we require something further than that. They should be unable to do their own house-work.

8962. The question only relates to women and not to men?—Oh, yes, it relates to men; but men, as a rule, shirk house work, and will not do it. Some of them do, but you have not the same opportunity of catching a man doing that sort of thing as you have of catching a woman. There is not the same desire on a man's part when away from work as there is naturally in the case of a woman.

8963. Is not a man entitled to benefit in the ordinary practice when laid aside by sickness and prevented from going to that sort of work which is the only sort of work he knows how to do?—If we accepted that and paid on that, which I think to some extent is reasonable, you would find that our sickness rate would go up another 3 or 4 per cent. as soon as the members knew it.

8964. Are you now speaking of the claims of men, or of women?—I think that both would go up very considerably.

8965. Do you, in fact, suggest that you do scrutinise the sickness certificates, and the circumstances of each man who claims sickness benefit with a view to determining whether he can, or cannot, find some occupation, before you decide whether you will pay him sick pay?—We scrutinise every case.

8966. Before you decide whether you will pay him sick pay?—Yes.

8967. You did not always do so?—In the old days I had no connection with it, but they would not have done it before because, according to the rule, a man or woman being unable to follow his or her ordinary employment was entitled to benefit.

8968. Nearly all your members are employed in the mills?—We have a lot of labourers, and outside workers.

8969. You get a certificate saying that a labourer is suffering from some disease or other. What do you do before you pay that member sickness benefit?—If the member were suffering, say, from bronchitis, we should put him on benefit, but before he received his benefit he would be visited, and if the report was adverse, we should hold the payment up until we had made further inquiries from the doctor. If we were not satisfied, we should suspend his benefit and summon him to appear before the committee.

8970. What do you mean by "further inquiries"? He is a labourer suffering from bronchitis. Do you go and inquire from the doctor whether he could work as a clerk or at some indoor occupation?—No.

8971-2. What sort of inquiries do you make. I am not suggesting that this is a case of malingering, but you say that you satisfy yourselves that he is incapable of work. If you are satisfied that he is genuinely sick in the terms of the doctor's certificate, and the sick

visitor reports satisfactorily, do you go any further?—No.

8973. Whether the doctor has in mind "incapable of following his usual employment" or something else, you do take that as the same thing as "incapable of work"?—Generally speaking, yes. We take the certificate to be a certificate of incapacity for work.

8974. I gather that the circumstances are different in the case of women. You inquire very closely as to whether the woman is doing housework?—Yes, we do as far as possible. Our visitors take note of the person on sickness benefit, and if, from their observation, or from any other reason, we have cause to believe that the person is not now rendered totally incapable of work, we give them a gentle hint. The visitor generally reminds them that now they are apparently able to do some work.

8975. The sick visitor goes to a house and finds that the sick member's mother or daughter, or some other relative, is doing the housework, but she comes to the conclusion that the sick member herself is fit to do it, although she agrees with the doctor that the woman ought not to go the mill. What do you do in a case like that?—We ask our own medical referee to pay a visit.

8976. If he says that she is fit to do housework although not fit to go out, you would pay?—No. If she is capable of doing any work, we do not pay.

8977. Supposing the case is that of an unmarried woman who is not primarily responsible for the housework, a daughter living at home, would you still refuse to pay?—Yes.

8978. But in her case the housework is no part of her duties?—No; but if she is capable of doing anything—

8979. There may be no housework for her to do?—It is not a question of what she is doing, but of what she is capable of doing.

8980-1. Although she has been trained to one particular trade, you do make up your minds whether she is capable of doing something or other before you pay her?—Yes.

8982. And yet you have this extraordinary sickness experience?—Yes.

8983. Before the Insurance Act came into operation, were your sickness insurances chiefly men or women?—The majority of members are women.

8984. The sickness business done by the society on the voluntary side is only part of its business?—Yes, part of it.

8985. The number of members insured for sickness benefit is a small part?—No, it is the greater part.

8986. How many members are there on the voluntary side?—26,000.

8987. How many are entitled to sickness benefit?—About 20,000 are entitled to sickness benefit.

8988. How many on the State side?—10,000 on the State side.

8989. Of the other 10,000, the greater part have gone into some other society?—Not necessarily. There is a difference of 10,000. Probably 5,000 of those were married women uninsurable.

8990. Those 5,000 will certainly have no cause to be claiming more in 1913 than they claimed in 1912?—No.

8991. So that when you say that the claims in 1913 are 15 per cent. above the average of the previous five years, the case becomes much more serious when we consider that about one-fourth of the entire membership have not changed their conditions in any way?—Yes.

8992. So that the real condition among those State-insured is that between 1912, which was the lowest year of the previous five, and 1913, there is a jump by probably at least 20 per cent.?—Probably.

8993. How many members are there on the State side who are not on the voluntary side?—I think there would be about 20 or 25 per cent.

8994. It is not only in respect of those 20 or 25 per cent. that you suggest that this doctrine of arrears could arise?—That I could not say.

8995. The other members were insured on the voluntary side prior to the Act coming into operation?

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—But not for medical benefits. There were no medical benefits.

8996. Do you suggest that in consequence of the absence of medical benefits they refrained from going off work?—Many of them never consulted a doctor.

8997. How did they get sickness benefit? They are entitled for the first three weeks without a medical certificate?—Yes, in the ordinary section. They always have been.

8998. Are they still?—They must supply a medical certificate before they receive the fourth week's pay.

8999. And yet under those conditions, apparently so lax, the claims were a certain figure, and in 1913, where all the claims were supported by a medical certificate, the claims went up by 20 per cent.?—Yes.

9000. You also told the Chairman that there was a considerable drop in the holiday week. You said that the members went off on holiday that week, but that for the week before, and for the week after, they recognised that sickness insurance at 4d. or 3d. was about the cheapest thing they had come across?—Yes.

9001. Does not all this point to a great deal of malingering?—We had made it known through the public press that no member would receive permission to go away for holidays.

9002. (Chairman.) You have not followed the question. Mr. Watson asks whether, taking all those things into consideration, you are not forced to the conclusion that there is a great deal of malingering?—Certainly it does make one think so.

9003. (Mr. Watson.) I think you said that there were 60 confinement claims during the last three months?—The number of maternity claims paid was 102, and the number of sickness claims paid—these would be for rather more than three months—was 90. I dare say that you may take it that there would be 60 in the past three months. That is the third quarter.

9004. Do you find that women drop out of employment immediately after marriage, or do they go on for a certain time, and then drop out after they have been married for a few years?—They go on in employment, but I cannot say that they drop out.

9005. It is a life-long business?—Yes. People are getting to know that if they transfer to class H, the benefits are only 5s. for 13 weeks, and so on. They are finding it to their advantage to continue to stamp the card, and if you question them upon the matter they say, "I shall be going to work." They do not drop out. I had to re-instate one this morning.

9006. Apart from the Act, taking the particular class of people with whom you are dealing, do you find that commonly married women go on in employment throughout life, or for a few years after they are married, and then drop out?—A considerable number of them go on for years after they are married. I do not think that there is a great proportion who drop out immediately after marriage. There is a great proportion who go to work.

9007. So that, in all probability, the society has a very large number of married women under 40 years of age?—Yes.

9008. Now, coming to the other point you mentioned, what is the precise effect of the understanding of class H in the minds of members—the special voluntary contributor class—who pay a contribution of 3d. per week, and receive sickness benefit of 5s. per week, but no confinement sick pay, and no sick pay at all until four weeks after confinement?—It has not been taken up at all except in one or two instances I have in my mind, where there was an object in view. I will give you one. A woman married a little while ago, and transferred to class H. She was confined a week ago, and declared on the fund this week. Of course, I said that she was not entitled to benefits, if her illness was connected directly or indirectly with confinement, and that she must bring a certificate. The object in that particular case is sick pay.

9009. Do I understand that she is a married woman who had ceased to be employed, but anticipating confinement at an early date, made up her mind to see if she could swindle the society out of sick pay?—I

would not go so far as to say that, but she considered that after confinement she was entitled to benefits.

9010. The Act says that she is not?—Yes.

9011. And therefore it is a swindle on the society. We have nothing to do with what she considers?—Yes.

9012. She elects to go in class H in the hope of eluding the vigilance of the society, and getting sickness benefit, to which the Act says she is not entitled?—That is because she did not understand her position when she transferred.

9014. When she transferred to class H her object was to become a voluntary contributor or to receive the married woman's credits, a few shillings to her account. She had no other object?—No. "I only gave up work for some time, and, therefore, I remained an employed contributor." They will not exercise an option at all, class H or otherwise.

9014. You find a difficulty in administering section 44, sub-section (1), and that that leads to claims?—They will not exercise the option one way or the other.

9015. In your outline of evidence you said that many married women for the purpose of becoming insured as employed contributors have taken occasional work, and that once having obtained admission to a society they take care to stamp their cards, and they claim benefit at the very earliest opportunity. Is it a fact that persons who are not actually at work as genuinely employed contributors have taken more or less bogus work for the purpose of getting benefit?—That was not so in the first four or six months, but as people gradually became educated, and knew that by the payment of 6d. per week and an occasional half-day's washing or charring they could become insured persons, they took very great advantage of the Act. They have no interest in the society, only so far as they may derive benefits therefrom.

9016. Are these really casual workers who, in the first six months of the Act, did not realise the advantages of being insured even at the cost of a disproportionately huge contribution compared with their earnings, or are they people who have taken casual employment for the purpose of obtaining the benefits?—I could not answer that.

9017. There is a rather important difference?—There is, but I cannot say. I know in one case that the person's general condition was unemployment up to November 4th. She immediately gets 24 stamps on her card, and sends in a claim for sickness benefit. We paid her a certain number of weeks, and we have had her before the committee three times. The case has been arbitrated upon. It has gone to the Commissioners, and they have allowed an appeal to lie, and we have got another arbitration on it.

9018. Generally the members resent the supervision exercised over them?—I am afraid they do. There is too much supervision, I feel it myself.

9019. There is too much visiting?—There seems to be.

9020. By your own committee?—By our own officials.

9021. Which, of course, are the creation of the committee, or of the members themselves?—Yes.

9022. That all seems to indicate that what is resented is supervision of malingering?—It may be taken as such.

9023. (Miss Wilson.) Can you tell me any case in which men have been refused benefit because they have been found doing light work?—I am afraid I cannot remember an instance.

9024. Have you the same rules of behaviour during sickness for men and for women?—Yes.

9025. Do your visitors assure themselves that the men are physically incapable of holding a stocking in one hand and a needle in another?—I do not think so.

9026. So that you really set a higher standard of incapacity or a lower standard, whichever you like to call it, for the women than for the men?—It operates more harshly against the women than it does against the men.

9027. I see that you say in your outline of evidence that the nature of the illness is certified and entered on the visitor's sheet, and that the nurse is instructed

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[Continued.]

to see that it is correct as far as she can, and treat it confidentially. Does that mean that she gives you her view of what the illness is as against the doctor's view?—Yes.

9028. Do you after admitting the benefit consult the doctor in all cases before visiting?—No, we take the majority of cases on the face of them as genuine cases.

9029. There would be certain cases in which you would take the opinion of this nurse as against the doctor's opinion? You say, "The doctor says so-and-so, and the nurse says so-and-so, and we will not pay"—Probably in that case we should ask the doctor, if a change had occurred.

9030. You would communicate with the doctor in every case in which the lady nurse differed from him?—Yes, wherever we considered that there was suspicion of some other ailment.

9031. You would never take her opinion as against the doctor's without further inquiry?—Certainly not.

9032. Do they dress as nurses?—No.

9033. And they do not do any actual nursing?—No, not actual nursing, but they give advice when they are asked.

9034. They get to know the members?—Yes.

9035. Do they ask them any questions about their past health before entering State insurance?—Not that I am aware of.

9036. You have had no case in which they have found past conditions which have led you to think that perhaps their forms were not filled in correctly?—No, the female members generally appreciate a visit from the nurse.

9037. Under your rules for misconduct, do you refuse to pay sickness benefit during pregnancy with complications—I understand that you do not pay for pregnancy alone—to unmarried mothers on the ground of misconduct?—No.

9038. You make no distinction between married and unmarried women?—No.

9039. Can you tell us the average length of time

during which you pay married insured women sickness benefit after confinement. You told us that you often pay for more than the month. Could you tell us the average?—No, I have not the average, but it is considerably over the month. There is somehow a general idea abroad that, after confinement, the female member may receive benefit until she goes back to work. It is not a question of incapacity. They say: "I have not gone back to work and, therefore, I am entitled to benefit."

9040. Still, you require a doctor's certificate?—Yes, after the month.

9041. And you pay on the midwife's certificate under the month, if a midwife is in attendance?—Yes.

9042. (Chairman.) What did you mean when you said that you followed what the Act said about workmen's compensation, so far as the lawyers would allow you?—Not necessarily in workmen's compensation cases alone, but in every case where, apparently on the face of it, a person is entitled to damages, and where we know that it has been taken up, put into the solicitor's hands, and steps taken to recover damages, I have had solicitors' letters demanding the payment of the benefit, and I have had to point out the section to them that until the case was either settled one way or the other, we were withholding the payment.

9043. Your collectors have got no personal interest at all in the collection of the premiums on the ordinary side?—No, only as loyal members.

9044. They have no temptation to pay sickness benefit in order to obtain ordinary premiums?—No, they very often report cases in which, particularly with the large insurance societies, bad conduct rules are very different from ours, and the members complain about the strictness of our officials compared with the strictness of the agents of the large insurance societies. The majority of our people, if they have the slightest idea that things are not straight, are particularly keen. I have known cases where they have brought the sickness benefit back to the office until further investigations have taken place.

The witness withdrew.

TWELFTH DAY.

Thursday, 20th November 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT:

SIR CLAUD SCHUSTER (Chairman).

Mr. J. BURN.
Dr. ADAM FULTON.
Miss MARY MACARTHUR.
Mr. WILLIAM MOSSES.
Dr. JAMES PEARSE.

Dr. LAURISTON SHAW.
Mr. A. H. WARREN.
Mr. A. W. WATSON.
Dr. J. SMITH WHITAKEE.
Miss MONA WILSON.

Mr. ALEXANDER GRAY (Secretary).

Mr. A. HOLLINS (Acting Secretary of the Health Insurance Section of the National Amalgamated Society of Male and Female Pottery Workers) examined.

9045. (Chairman.) Are you the acting secretary of the Health Insurance section of the National Amalgamated Society of Male and Female Pottery Workers?—That is so.

9046. Is the National Amalgamated Society of Male and Female Pottery Workers a trade union?—Yes.

9047. Is it a registered trade union?—No.

9048. Was it in existence before the passing of the Act of 1911?—Yes.

9049. It has now become approved for the purposes of the Act of 1911?—Yes.

9050. Is it a society without registered branches?—Yes.

9051. It is in fact organised in unregistered branches for trade union purposes?—In a sense, we are a centralised society. We have now certain lodges up and down the United Kingdom for the purpose merely of collecting contributions, and sending them to the central office. They have no local autonomy, and they are not branches in the strict sense.

9052. In the same way they are not branches strictly so-called for insurance purposes?—Yes.

9053. Your union admits both men and women?—Yes.

9054. So does your approved society?—Yes.

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[Continued.]

9055. How many people are in the union on the private side?—At present 6,750 in round figures.

9056. How many are there on the approved side?—2,500 in round figures.

9057. Of those 2,500, how many are in England?—2,073.

9058. Can you divide those into men and women?—1,447 men and 626 women.

9059. There are some 26 lodges in England?—There are 30 altogether, and 26 in England, and we have opened new lodges in Worcester, Coalport, and Armitage.

9060. Is there at each of these places a certain sprinkling of members of the approved side?—Yes, except in the case of Worcester and Coalport. We have two or three members in Armitage.

9061. The bulk of the members, however, are resident in Staffordshire, round about the Potteries?—Yes.

9062. Where is the head office?—In Hanley.

9063. Do you think that there are claims which are unjustifiable being made in your society in respect of sickness benefit?—Only in so far as such claims are sent in in respect of swelled nose and pimples on the face. We have had perhaps half-a-dozen of that kind, and these may not in the strict sense be justifiable claims.

9064. I mean substantially?—No, there is no substantial amount.

9065. What has been your experience in reference to paying out?—I could not give you the exact total amounts paid out, but I can give you a summary of the number of cases, the percentage and duration. In the case of England only there are 179 cases of women; percentage on the funds 28·6; average duration six weeks two days. The figures for the men are 304 cases; percentage 21; and average duration four weeks and four days.

9066. What about the amount of money?—I am sorry that I have not got the total amount actually paid out in these cases. I have got one or two cases with regard to actual excessive amounts paid, as we consider, in the case of pre-confinements.

9067. Do you not know what you have actually spent in the first three quarters?—We have got them up-to-date for the purpose of making returns to the Commissioners, but unfortunately I have not got those figures here.

9068. Have you any idea in your mind? You were told by the Commission the sort of amount per member per week they suggested that you should draw from them in order to be prepared to meet the claims?—That is 3*d.* per head per week for men and 2*d.* for women.

9069. How do you find that that compares with what you are spending?—We are exceeding that considerably.

9070. In the case of both men and women?—Yes.

9071. Can you tell me at all by how much?—The first two quarters worked out at 3½*d.* per head both for men and women.

9072. When all were pooled together?—Yes.

9073. Do you mean men 3½*d.*?—When pooled together. That is what the Commissioners said. That would be for the two quarters' benefits to July.

9074. How much of that 3½*d.* is attributable to women, and how much to men?—The women exceed the actuarial basis more than the men.

9075. Have the men exceeded it?—Yes.

9076. Do you know by how much?—No.

9077. What about the next quarter?—We were hoping for a diminution, but we have not seen it yet. It is on the same level as the previous quarters. In the case of men, the excessive amount has been attributable perhaps to some extent to the extraordinary amount of maternity claims we have.

9078. I would ask you to keep the maternity claims out for the present. Does the 3½*d.* include the amount paid in respect of maternity claims?—Yes.

9079. Cannot you separate the maternity figures from the other figures?—I have given no maternity figures yet.

9080. But you say that the amount spent in the two quarters is equal to 3½*d.* per member per week, and that that includes maternity claims?—Yes.

9081. What would be the figure if maternity claims were excluded?—I cannot say that.*

9082. I do not understand whether you consider that all that amounts to saying that excessive claims have been paid or not. Were they improper claims that you could not check?—We have no unjustifiable claims, and have taken every possible means of checking any claims that have come on.

9083. Turning to the insured person's point of view, do you think that they understand what kind of business they are now engaged in, so far as insurance is concerned?—I should think the men do. Most men have had some experience, during their lives, of sickness insurance from the voluntary standpoint.

9084. Your union did not undertake sickness insurance?—No, but most of our members were voluntary members of sick societies.

9085. Do you know that in fact from your own knowledge?—From our experience in working among the men.

9086. I notice that out of the 6,500 members of your union, only 2,500 have come into your approved society, and I was wondering whether the difference consisted of those people who were previously insured in clubs and societies, and had gone into them, while you had got left with those who were not otherwise insured?—To a large extent, but we cannot guarantee that all the others were in a voluntary society. We could not say definitely.

9087. Do you infer that the one-third of the members of the union who had come to you came to some extent because they were not otherwise insured?—Yes.

9088. And the other two-thirds have gone perhaps where they were insured?—Yes.

9089. So that out of your total membership you have got a larger proportion of persons who were not accustomed to the idea of insurance than the whole trade union?—Yes.

9090. Perhaps I may assume that the women are not insured elsewhere; but, with regard to the men, of the 1,447 how many do you think were insured elsewhere?—A very small percentage. Some of the members who were inside the voluntary associations, as soon as they knew that the trade union had become an approved society, said that they would make that their approved society. There is just a small percentage of them, but not any appreciable number.

9091. Can you state roughly the average wage of men workers, or does it differ greatly in different localities?—It varies more according to the branch of trade in which they are engaged, than according to the locality.

9092. Are the branches of the trade to some extent localised?—There are so many branches in the pottery industry. There is the china branch at Longton, the sanitary branch in the centre, and the general branch distributed through the district, and those again are divided into other branches, so that the money varies from a guinea to three pounds a week.

9093. Take Staffordshire alone, do you find as great a variation as from a guinea to three pounds a week in the men's wages?—Yes, it is pretty general in the pottery industry.

9094. Is it in Worcester equally with Staffordshire?—Yes, but we have no member in Worcester at all.

* Total amount of Sickness and Maternity Benefits paid up to and including October 12th, 1913 :—

	Sickness Benefit.		Maternity Benefit.	
	Men.	Women.	Men.	Women.
England	£ s. d. 616 15 3	£ s. d. 415 13 4	£ s. d. 208 10 0	£ s. d. 7 10 0

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[Continued.]

9095. Take Coalport?—We have only a few members organised there, and we have not any insurance members there.

9096. Do you find that the claims tend to come from the lower paid people, or from all over the society anyhow without regard to wages?—I am certainly of opinion that there is a tendency for the claims to be made from the lower paid wage earners.

9097. Do the women make less wages than the men?—Yes, considerably.

9098. Are they employed on different kinds of operations altogether?—Yes, there are branches particularly for the women.

9099. What is the range of the women's wages?—From 7s. 6d. to 25s. or 30s.

9100. At what do they get 7s. 6d. a week?—At lead house work.

9101. What are they doing?—After the ware has been dipped in the glaze bath by the dipper, they take the superfluous quantity away from the edges of the ware. Others take the piece of ware, and put it to one side to be dried.

9102. How old are the people who are engaged in that work?—They are from 18 years of age to 50.

9103. They are not learning some other kind of work, but are at that all their lives?—Yes.

9104. In the case of those people it is pretty obvious that there is considerable over-insurance?—Yes.

9105. Do you find among them that the claims tend to be heavier than among other people?—Yes, and there is a greater reluctance to go off the fund.

9106-7. Are they mostly married?—There is a good percentage of married women.

9108. Have you got a lower percentage of married women in your society than elsewhere?—We probably have the proportionate share.

9109. Of your 626 women how many do you think are married?—We are just getting that out now, and propose making a claim for reserve values.

9110. Apart from that you know it for union purposes?—No; but roughly I should say there are about 200.

9111-2. Are the married women engaged in any particular branch of the trade as contrasted with the single women?—No.

9113. You had 62 maternity claims from the women?—Yes.

9114. Have you any idea as to how many of those 62 were married, and how many were single?—I think we have had about three or four single women's claims.

9115. You say that there is a range of from a guinea to 3l. a week in the case of men. I imagine that the workers at 3l. a week are scarce?—Yes; they are more numerous at the other end.

9116. That is using rather an easy expression for it. How many people are there earning 3l.?—They are in the highly-skilled trades. It is only there that they begin to earn that.

9117. What are the mass of the people earning?—You might take an average throughout the district of 25s.

9118-9. Do you find, apart from getting claims which from the start are unjustifiable, that there is any difficulty in getting off the funds people who ought to be off?—Yes, particularly in the case of women.

9120. How do you know that they ought to be off the funds?—We set up a system of sick visiting, both men and women, and it is chiefly on the report of those sick visitors.

9121. Have you had any case of deliberate and conscious fraud?—No.

9122. Have you any case in which you refused benefit, where the person has been certified by the doctor?—No, except in compensation cases until just recently; since I sent in my outline of evidence we have been called on by an insurance inspector with regard to our excessive claims, and we went into the whole question of pre-confinement cases, and we have been paying on practically any certificate that came along from doctors with regard to those particular cases.

9123. Have you been paying on mere pregnancy?—We have only paid on three certificates of pure pregnancy, and we have investigated those, and they were, in our opinion, cases of people who were not fit for work.

9124. What do you mean exactly?—There has been a reluctance to go to work through lowness of wages, and we have had to visit the doctor on several occasions. I have here a reply from the doctor with regard to one of the cases in hand. We thought that we were justified in asking him to sign off. We usually visit the doctors, and ask them to do the thing, but we cannot get them to agree with us.

9125. What do you find generally with regard to the action of the doctors?—They have been courteous enough to our visitors, that is the few we have visited, but the doctors are not giving the assistance to the approved societies which we think they ought to give.

9126. In what way?—There is some little carelessness in giving certificates.

9127. What is the proof of that?—The certificate should be given to us when it comes to us for total incapacity, and we have had such cases as swelled nose and pimples on the face.

9128. What do you do when you get that kind of certificate?—We visit the doctor, and get to understand the position with regard to it. The doctor may say, "Leave it to me, and he will be signed off at the week-end," or sometimes in other cases they will say, "We are not detectives, people come to us and say "that they are ill, and we give them a certificate. We "cannot tell whether they are incapacitated or not."

9129. The doctor certifies total incapacity for work owing to pimples on the face?—Yes.

9130. Obviously a man cannot be totally incapacitated from work because of pimples on the face? What reason does he give?—We did not visit the doctor in that particular case, or in the case of the swelled nose. It was early in the working of the Act, when we had not got the machinery in proper order, and we were a little bit ignorant.

9131. Perhaps the doctor was a little bit ignorant also?—Possibly.

9132. Is that matter of the pimples on the face all ancient history, or is it now going on?—We have not found any unjustifiable claims coming from the doctors in the recent cases coming on.

9133. Do you now find that you are getting names written in the blank space, which you can understand, and which appear to you, with the limited knowledge that you and I possess of medical matters, to be the kind of thing to cause incapacity?—There is another matter. The certificates ought to be made more definite and clear.

9134. I want to know first what you actually find. What is it you find on the certificate that makes you think that they ought to be made more definite and clear? In what respect are they not definite and clear now?—Take, for instance, cases of colic; we always question colic cases as to whether they are cases of lead colic.

9135. That is owing to the special trade to which your members belong?—Yes; we detected one case with regard to that, and have got compensation since.

9136. What do you suggest that the doctor should do in that case?—It should be understood by the doctors in giving a certificate that, if it is an industrial disease, they should say that it is a case to which the Compensation Act applies.

9137. How can he tell that? What he says is that the man before him is suffering from colic. It is not his business to express an opinion as to what it is due to?—But if there is a thorough examination could he not determine it?

9138. I do not know that it would be a right thing from your point of view that you should put your interests so entirely in the hands of the doctor, as to look upon him as the man to determine the matter. Is it not enough, if it is colic, for him to certify that, and for you to put your own interpretation on the case?—The doctors say that we are only laymen and know nothing.

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[Continued.]

9139. You do not accept that statement from the doctors?—Not quite. At the present time we are searching the district for a good doctor's dictionary to assist us.

9140. Seriously, you do not suggest that you are bound hand and foot to the doctor. If he writes colic on the certificate, that is enough to tell you that you have got to do something more?—I hardly think so at the present time.

9141. Why not?—In that particular case it might have a tendency in my mind to show that a thorough test has not been made,—a thorough examination of the patient.

9142. Of course if you base it on that, that is a serious matter?—We have cases where there has not been a thorough examination of the patient, and true certificates have not been given for that reason.

9143. Could you give any other instance besides colic?—We have got a case here of a girl who is in another approved society, but she happens to be one of our trade union members. She came to us for advice. We investigated this case. She had been under a panel doctor for nearly six months, and had been treated for various things, influenza, tonsillitis, pneumonia, and so on, whereas she had never had any trace of these things at all, and had never had any pains in the chest or anything of the kind, and she was sent away by her employers for a time and came back. They suspected lead poisoning symptoms, and she went to another doctor, and the doctor certified it as a lead case. She wanted to make a change of doctor at the end of the year, she went to see the panel doctor, and he said that he had seen that the lead had had a lot to do with it all along. In such a case, if there had been any indication on the certificate of lead complications arising, that would have been treated as a compensation case from the beginning, whereas the society has had to pay 26 weeks' sickness benefit.

9144. What you are now saying is that the doctors are failing to give you such information as to enable you to take proceedings for compensation?—We have not found sufficient evidence yet given us. We have to make a guess, or send the sick visitor round to ascertain, and we have to rely on the sick visitor rather than on the doctor's certificate.

9145. Can you give us any other instances besides the compensation cases? It cannot be that the whole of your excessive sickness claims is due to the failure of doctors to write lead colic for colic. Do you find vague things like debility or headache stated on the certificate at all?—We get anæmia and debility; we never get headache. But I believe that we have had a certificate with some high-sounding name which means headache. Another case was simply toothache which was described by another technical term. If a common term could be used, it would help us more.

9146. What do you do, when you find that sort of certificate?—It comes to us sometimes by accident. We have not been able to tell what forms of disease they are by their names.

9147. Does debility put you on inquiry?—Yes, we make all inquiries on debility cases.

9148. Do you go back to the doctor?—Yes, in some instances we have seen the doctor.

9149. What does he say?—We have had difficulty in getting them to acquiesce in our suggestions, that they should sign the patient off.

9150. There are two distinct things. When you get a certificate for debility, it may be a certificate which has got debility written on it, but is given in the case of an insured person who is really ill and ought to be on the fund, and you get cases which embarrass you because, as you say, the doctors really do not write down anything which tells you what is really the matter?—Except in the one or two instances I have mentioned, we have not got any particulars.

9151. I can quite understand that if the doctors write down different complaints on different certificates for the same patient, you are put in the position of not understanding what the doctor says?—I have got all the diseases down here, and can hand in a copy if you desire. (*List handed in.*)

9152. Turning to another side of the subject, you have described to us the organisation of your society; is it centralised at Hanley?—Yes.

9153. When a person in Longton falls sick, what would he do?—He has to apply to the sick steward in that particular district; we have two of them there.

9154. How was that sick steward appointed?—In the early part of last year we had a meeting in the several districts, for the purpose of nominating sick stewards. From the nomination, the health insurance committee appointed the present steward.

9155. That is the committee of the central body?

—Yes.

9156. They appointed sick stewards for each area?

—Yes.

9157. According to the number they thought it required?—We put a maximum of 240 for each sick steward.

9158. Are they paid?—Yes, a shilling a year per person. If they have 240 members, they will have 240 shillings.

9159. They are at present actually at work?—Yes.

9160. Are they men or women?—We have men and women appointed.

9161. In what proportion?—The women were not appointed in the same proportion as the men. The men had a maximum of 240 members allotted, and the women were appointed without a maximum number, solely to visit the women members, in case of sickness. The men mark the books, and so on.

9162. What are the women paid?—A penny per quarter per head.

9163. They simply do the visiting, and no clerical work?—Yes.

9164. How many stewards are there in the whole society?—22.

9165. How many men, and how many women are there?—There are 16 men and 6 women.

9166. Is there a woman sick steward within reach of every member, or how do the six women visitors get round the 15 branches?—In districts where we have only a few women members, we ask the sick steward to get his wife to visit the members.

9167. Is that covered by the shilling?—In the case where he sends his wife out, we pay the usual penny to the wife.

9168. When a man falls sick, he gets hold of the sick steward?—The name and address of the sick steward are stamped inside the insurance book, and he can apply to the sick steward, or apply to the head office for a declaring-on form.

9169. Is that given as a matter of course?—Yes. He signs his declaring-on form, and sends it along with the certificate of incapacity to the sick steward or direct to the head office.

9170. He may send it by post?—Yes.

9171. When it arrives at the head office, what happens?—We scrutinise the contribution register to see whether he has got his contributions paid. I did it myself for a considerable time, until I got over-worked, and I then asked the society to get me a clerk. Having ascertained that he is eligible for benefits, we then endeavour to form some idea as to the nature of the claim. If it is a compensation case, we write to the steward accordingly, or if it is a case of doubt we write to the steward, "This is a doubtful case, and we " would like a report."

9172. Take the case in which you come to the conclusion that it is all right, what do you do?—We make out the sick pay sheets, the amount of benefit due, and the sick steward takes the money to the member.

9173. Where does he get it from?—We send it out each week by postal orders.

9174. Broken up into the separate amounts?—We send the total amount for all the members in his district.

9175. Is every payment made personally?—Yes, by a sick steward.

9176. Do the men pay the women, or the women pay the women?—The men pay the women now. I may say that we have dispensed with all women stewards

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Mr. A. HOLLINS.

[Continued.]

now in the Glasgow district and the Stoke-on-Trent areas.

9177. Why have you done that?—They were working women, and we found that they could only visit after working hours, or on Saturday afternoon, and we thought it possible that some of the members would always be in readiness when the sick visitors came round, and so be prepared to make as good a case as possible. So we thought that it was absolutely necessary that we should have visiting during the working day, and we told the sick stewards that we should have to dispense with their services for this reason, and we have got two women now, one in the Stoke-on-Trent area and one in the Glasgow area.

9178. Are these women who are not at other work?—Yes.

9179. What kind of women are those?—One used to be a member of our approved society. She has since given up work. She is a very capable woman.

9180. Does she spend her whole time at this?—She is supposed to devote two days a week to it.

9181. What do you pay her?—On the basis of twenty-five shillings a week. We should have done the same in the case of men, only our administration would not allow us.

9182. You thought it necessary to attend to the women first?—Yes, we found excessive claims coming in, so we found it necessary, particularly in pre-confinement cases.

9183. Suppose that a case presents some feature of doubt, would you write to the sick steward and say, "Go and find out about it"?—We send out an advice note to those women visitors with any remarks which we have to make about the case.

9184. Do you not pay until the doubt has been solved?—We intend to do that in future. We have only just got these women visitors in.

9185. What have you been doing?—We have never yet withheld a claim up to the time we got the women sick visitors in.

9186. Has every single claim on your society been paid apart from compensation cases, even when you had a doubt?—Yes.

9187. Men or women?—Yes, we paid every claim except compensation claims.

9188. Have you struck any people off the funds who came on, and want to stay on?—Since the thing started we have struck off two or three cases.

9189. For what?—We had great doubts about one member, a male. We investigated the case. His wife was at home also on sickness benefit. We suspected him of doing the whole of the housework, and various other things, and we thought that he was quite fit for work.

9190. What was supposed to be the matter with him?—It was not a very serious complaint, but I forget what it was.

9191. Did you find him washing the baby?—We never found him doing that, but he was doing all the household work.

9192. You struck him off? Was that for breach of the rules, or because you thought he had recovered?—We notified him to say that we should expect him off the funds, because we thought after the interview with the doctor that he was quite capable of work. If he wished to appear, he could attend before the insurance committee of our society the following week, but the man never appeared before the committee, and has since sent us a declaring-off note.

9193. Does it really come to this that in spite of all your system of sick visiting from the start, and this new system which you have now put into operation, you have paid every claim that has been made on you?—Yes.

9194. Do you fine any people for breach of the rules?—There were three cases. Our lady organiser did some special visiting before she joined this line.

9195. Who is she?—Mrs. Lawton is the organiser on the trade union side.

9196. Is she a paid official?—Yes.

9197. What did she find out?—She found out a lot of ignorance of rules, washing the baby, doing their own washing, and lots of other things in these confinement cases.

9198. Was anything done as the result?—There were fines of a shilling in each of three cases.

9199. In June of this year the inspector went and pointed out that you were greatly exceeding the amount that you could possibly be allowed to spend?—Yes.

9200. You have never done anything at all since then until within the last fortnight to bring about a new state of affairs?—Yes, even before the inspector came I looked up the minutes for the purpose of showing the woman insurance inspector that we were working in this direction. I had reported the excessive claims before this. It was only because we could not lay hold of a suitable woman for Glasgow, which is the principal place, that we delayed. Mrs. Lawton found us one some weeks ago.

9201. You have 2,072 persons in your society in England, and you are spending 3½d. on claims for women and men?—Yes.

9202. So the measures taken in Glasgow were not very efficacious?—The same thing applies in England. Mrs. Lawton has been doing it also there, until we could get someone to do this work.

9203. Has her work had any effect, because it seems to me that the only result is that three people have been fined a shilling each?—The time is so short.

9204. It is ten months now since benefits came into operation?—Yes, but we found that the women sick visitors could not bring to our notice any concrete evidence because the time they visited the people was an inopportune time, and we came to the conclusion that it was necessary to make this new arrangement. We feel that it will have some effect, but the time has been too short for us to realise it yet.

9205. May I suggest that it will have a great effect if something is done as a result of what these people write, but if you simply fine three women a shilling each, I really think it will not have any effect at all?—That was owing to Mrs. Lawton's temporary visiting before we got the women visitors in. We have refused to pay benefits in five cases of pregnancy, for instance, because from the doctors' certificate and other inquiries we have found that they were pure pregnancy cases, and there again we have a lot of appeals coming on against the suspension.

9206. To whom would the appeals go?—They will go to our own local insurance committee which meets in December, I think.

9207. Do you mean the Stoke-on-Trent Insurance Committee?—No, our own trade insurance committees.

9208. Is that the tribunal to which they come?—Yes, in the first instance. If they are not satisfied with that decision they can appeal to the central committee, and then to the Insurance Commission.

9209. What are the disputes about?—Those are very recent cases, since we got the lady sick visitors in. We have got a vague letter which is given as coming from the Commissioners which is a copy of a letter which has been sent to a society in reply to this very question. Our insurance inspectors for the Stoke-on-Trent district told us that we had not got to pay on a pure pregnancy case, and sent us a copy of a letter which had been sent by the Commission to another society.

9210. Is the inspector a man or a woman?—A woman inspector.

9211. What is the letter?—"The Commissioners are of opinion that the mere fact that the woman is pregnant is not in itself sufficient to entitle her to sickness benefit under the National Insurance Act, though if her condition becomes such as to incapacitate her from work, and she is able to produce evidence to the satisfaction of the society that she is incapable of work, the benefit becomes payable if she is otherwise qualified."

9212. What is troubling you about that letter?—The discrimination as to incapacity.

9213. What is the discrimination?—They come to us sometimes, and to other societies sometimes, with pure pregnancy certificates, and they go back again and get all sorts of certificates, with some other terms put in like neuralgia and rheumatism just to qualify.

9214. Is there not a test suggested to ask yourself, "Is this woman incapacitated from work or not"?—It

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may be difficult to make up your mind on the point, but is not that the test?—Yes. The difficulty in discriminating between these certificates is very awkward for us. When we have discriminated, we get all these appeals.

9215. A portion of the work which the women would have to do is very hard physical work?—Yes.

9216. And there is another class of work which is quite light?—Yes.

9217. Some of it is also peculiarly dangerous to women in a pregnant condition?—Yes.

9218. Dangerous to health by reason of lead poisoning?—Yes.

9219. What was the practice before the Act came into operation in that area, in the case of women working when pregnant?—The practice was either determined by the person herself or by the employer. The employer may in some instances say months beforehand, "You will have to stay at home."

9220. He does not like to run the risk?—Yes. In other cases they might work up to within a few days of confinement.

9221. Do the employers allow them to work up to within a few days?—The women sometimes try to hide the fact. There is a growing tendency to stop them working a month or six weeks beforehand.

9222. Is there a tendency in such cases to come on the funds?—Yes.

9223. Though in your view they are not incapacitated?—Yes.

9224. Do you not take action in those cases? Whatever the Act means, nobody says that it means that if you stop away from some other cause than incapacity, you should be paid?—We get a certificate from the doctor of total incapacity.

9225. You have got to administer the funds of the society. He is not the master of your funds. Do you not go back, and ask him what he means? He has got his professional duty to perform, and the first thing he necessarily thinks about is the health of the person?—Doctors are in the same quandary as ourselves; we do not know what to do. They say that some societies are paying, and others are not.

9226. Suppose you said, "Do not trouble your head about what so-and-so are doing, but just say is this woman incapacitated from work by some specific disease," do you not think you might get an answer from them?—We have not been able to get a straight answer from the doctors with regard to these pregnancy cases.

9227. Have you had any cases in which you thought it desirable to send for a second opinion, to test the fact whether there was incapacity or not?—We have had suspected cases, and I got a minute passed by our committee to the effect that I should be empowered to get the opinion of another doctor in suspected cases, but I have never put it into operation yet.

9228. Would you like to have some easy method of getting that done?—I certainly should.

9229. Would you like to have some referee appointed by somebody else than the society to whom you could send people?—Quite so. I believe that the State should provide medical referees.

9230. When you say the State, do you make any distinction between the local insurance committee on the one hand and the Insurance Commission on the other, or do you not care as to which does it?—I am not particular which, so long as he is independent of private practice, or anything of that kind.

9231. In the matter of private practice, suppose it was a consultant in Manchester, would you feel a difficulty then?—I meant in local private practice.

9232. Suppose it was as far off as Manchester?—I would have no objection, though I would like to keep the society absolutely clear if possible.

9233. What makes you want to keep clear?—We have had some experience in the way of compensation cases, and we have our suspicions that there is a class bias, or something like that. They have got patients of another class to consider, which are sometimes the employer class. We find doctors operating for the insurance companies, and for the employers, and acting as certifying surgeons.

9234. That is what you want to get away from?—We do not want any complications of that kind arising under insurance.

9235. What has compensation got to do with this question?—Possibly something may arise in the same direction, if there is a private practice, unless you have State referees appointed without a private practice.

9236. It may be suggested, on the other hand, that it would be better to have somebody who is engaged in practice somewhere or other; what do you think of that?—If his practice is only concerned with the State, I have no objection whatever.

9237. You, of course, I suppose, are spreading the operations of your trade union as far as you possibly can?—Yes.

9238. What sort of proportion of the pottery workers have you got already in your union in Staffordshire?—A very low percentage.

9239. Do you tend to lose them by secession?—They fluctuate for various reasons.

9240. Do you think that, if you were stiff with them on the State side, it would tend to drive them out of the union?—I do not think so. We have tried to avoid in our rules any clashing of the interests of the two. We have not placed any embargo on our members, compelling them to be members of the approved society or otherwise, as some trade unions have done.

9241. But I am thinking of the effect on the mind of a woman who found that she was not getting her sickness benefit when she thought that she ought to. Would that cause her to say, "I am tired of these people"?—Yes, the same thing applies when we have to refuse them trade union benefits.

9242. Do they go?—Yes, we have had instances where they have seceded for that reason.

9243. Does that cause you to some extent to be rather more lenient than you would be otherwise?—No, it has never occurred to us once.

9244. Do you think that to some extent it has made you hold your hand?—No. What we wanted was to work the Act as generously as possible, in conformity with the Act, and we have always given them the benefit of any doubt. We do not want to be too stringent in getting them off the funds.

9245. (*Dr. Fulton.*) In the abstract of your evidence you say in reference to the difficulties of pregnancy: "If some definite pronouncement had been made to the doctors and approved societies as to these cases, probably the number of pregnancy claims would have been reduced." That is still your opinion?—Yes, because doctors have said to our women visitors, "We do not know what to do in these cases."

9246. They have told you that they have had no instructions?—Yes.

9247. Do you appreciate the difficulty in which they are placed?—Yes. The approved societies and the doctors should have some assistance from the Commissioners.

9248. You say, "The attitude of the medical profession has been steadily growing favourable towards the Act, and in the instances in which it has been advisable for our sick visitor to visit a doctor, she has met with courteous treatment?"—Yes.

9249. Is that experience fairly universal?—I can only speak of our society. One of them did cut up a little rough, but, when he knew that we were not unreasonable persons, he became quite friendly afterwards.

9250. A great deal depends on the way in which he is approached by your visitor?—That is so.

9251. The difficulty about the distinction as to what does, and does not, incapacitate for work, is a matter as to which you will appreciate the difficulty of the doctor?—Yes, we have the matter before our committee in Stoke-on-Trent, and the doctor said that it was almost giving a death warrant to give to some persons a true certificate, and that that was one of the reasons for doctors hiding the exact nature of the disease.

9252-3. Do you say that some of the employers stop pregnant women going to work because they are pregnant?—Yes.

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9254. Supposing a woman was suffering from excessive vomiting in the early stages of pregnancy, and the doctor put her on the fund for that complication of pregnancy, if he states the disease in plain terms, would he be thereby exposing the woman to the risk of being stopped from work?—I would say that it would not expose her to that risk. The employers do not usually have these certificates.

9255. Still he might make inquiries as to why she was away?—I do not think that it would have much effect if she was only off for a week or so, and the woman went back to work. I think that he would allow her to go on, up to within a certain time of her confinement.

9256. What proportion of cases of colic of the kind to which you have referred do you get?—We have only found one case that we have been able to detect, and we have got compensation for it.

9257. You appreciate the difficulty of a doctor saying that a case of colic is due to lead the first time he sees the patient?—Yes.

9258. You say, "The per capita basis of payment for medical services seems to be favourable to a reduction in claims made, as compared with payment on attendance." Have you any personal experience of the two methods of payment?—Except in the Stoke-on-Trent area. We could not get a panel formed there. A temporary arrangement was made to pay per visit, and an extraordinary number of claims were made.

9259. When was that?—During the first three months, when we had to make special arrangements to meet the difficulty caused by the attitude of the doctors. But we found that the Act could not possibly work under a system of payment per attendance.

9260. (*Dr. Pearce.*) You have only discovered one case of lead colic in the claims?—Yes.

9261. Do you scrutinise the claims carefully with the idea of detecting lead colic?—When we see the term colic, it suggests it. We do not look up claims from the mere idea of searching for lead-poisoning.

9262. Is lead-poisoning common in your district?—It is a very serious matter.

9263. But it is common?—It all depends on what is meant by the term common.

9264. Would you consider that you have a larger number of cases of lead-poisoning in your district, than in quite a different district?—Undoubtedly, because of the lead processes which we have in the pottery work.

9265. But you do not consider it necessary to scrutinise the certificates, from the point of view of lead poisoning, in front of you?—It is always in front of us as a trade union society, dealing with so many cases of lead.

9266. Do you know the symptoms, or what may be the symptoms of lead poisoning?—Outside colic, if any other term were put on the certificate, I would not know whether it was leading up to lead poisoning.

9267. You have in the list of illnesses which you have given us altogether eight cases of colic, six men and two women. Did you query any of these?—We queried them all.

9268. What do you mean?—We notified our sick visitor to make inquiries, and to see the patients, and to speak to them.

9269. Have you seen the doctors?—No, we have not visited the doctors in any of the colic cases.

9270. You have four cases of epilepsy, which seems a very high proportion. Do you realise that epilepsy may be a symptom of lead poisoning?—Yes.

9271. Have you queried those cases?—No.

9272. You have one case of miscarriage. Is miscarriage frequent among the working women of the Potteries?—In the women in the lead branches it is.

9273. You have only had one case of miscarriage which has come on the funds?—Yes.

9274. You have two cases of cephalgia; do you know what that means?—No.

9275. Do you realise that it simply means headache?—It is merely an instance of the cases in which we do not know the exact terms, but we know that it has been going on the certificates.

9276. Do you realise that headache is a symptom of lead poisoning?—Yes.

9277. You have not queried those?—No, we did know that it meant lead poisoning.

9278. You have two cases of paralysed arm; did you query those as regards lead poisoning?—No, I could not say that we did.

9279. You did not realise that paralysis was a very common symptom of lead poisoning? You have one case of mania; did you query that?—Yes, it happens to be one of our own sick stewards, and it is not a lead case.

9280. You get no advice when looking through these certificates? You simply use your own knowledge of medical matters? You never consult any medical man as to the certificate?—We have thought of doing so, and we have in one or two, but very few, instances seen the medical man with regard to them. We are beginning to realise that we shall have to visit the doctors more in those things than we have done.

9281. Take the confinement cases for a moment: you say there were 59 confinements, and you say that the number of cases coming on benefit before confinement was 21?—Yes.

9282. That means, roughly, one-third of the pregnant women have claimed sickness benefit before confinement?—Yes.

9283. The figures give the number of confinement cases as 21, and they give the total number of weeks preceding confinement as 236, and the average number of weeks per case as 8·75. If the two first figures are correct the last figure should be 11·2?—Unless there has been some clerical error in the calculation it is correct.

9284. There is a big difference between 8·75 and 11·2, and I was anxious to get at the length of time. You pay in these confinement cases, if some other condition is certified as well?—Yes.

9285. You pay them indefinitely?—We make constant inquiries about them.

9286. Do you query them?—Yes, we make constant inquiries to see how they are going on.

9287. I see a case in this list of psoriasis. Do you know what that is?—No.

9288. You do not realise that it is a condition in all probability which does not incapacitate a person at all?—It might be a most serious thing, or a most simple thing, so far as we know.

9289. You can take it from me that it is not a condition which would incapacitate. But you would not query it?—No.

9290. I see here a case of pregnancy with tonsillitis. How long would you pay on that?—So long as the doctor continues to sign the continuing certificates.

9291. (*Dr. Lauriston Shaw.*) In your work as a trade union do you look on it as a duty to try to help your people, who are suffering from the effects of their trade?—It is part of the benefits of our trade society to assist them.

9292. If you think at all that the illness from which they are suffering is due to lead poisoning, you would try to get them compensation?—Exactly.

9293. The two things for which you would get compensation would be trade diseases, and accidents?—Yes.

9294. There would be cases of what you may call primary plumbism. Can you secure compensation for these people for what may be called secondary diseases caused by lead poisoning?—Yes, but lead poisoning is a thing in which it is most difficult to get a verdict.

9295. You have not tried very often?—We have never made any appeal cases.

9296. Have you recognised that gout and rheumatism are supposed to be secondary effects of lead poison?—I could not say about gout, but it sets up rheumatism.

9297. On your list here you have 26 cases of rheumatism; rheumatism, lumbago, pains in the back, and rheumatic gout make a group of 43. In none of these did you think it was reasonable that you should investigate the question as to whether these were

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really the results of the occupation of the persons?—There is only one point, that the occupation of the person is always noted when the claims come in, and if it is a case of a lead worker, we always query it, no matter what it is.

9298. A great many of these people are not lead workers?—Yes, only a small percentage are lead workers.

9299. Could you give us the percentage?—I could not now.

9300. But even where there is no lead, the conditions are extremely unhealthy?—Yes, we have had to draw our men from a very limited class of people, both from the point of view of their occupation, and their conditions of living in poor areas.

9301. So the doctors might perhaps be reasonably excused, if they thought that the patients whom they see should not go back into those extremely unsatisfactory conditions?—The working conditions are bad.

9302. You would have a better knowledge of the actual working conditions of the patient than possibly a doctor would?—Yes, possibly.

9303. Therefore if he suspected evil working conditions, he might give a certificate that the patient should not return to work, leaving it to you to decide whether the actual conditions would be very unsatisfactory. You have not thought that the doctor might sometimes leave the responsibility to you of actually determining whether you should dispute the claim or not?—That is one of the difficulties that arise, whether we should place ourselves absolutely in the hands of the doctor, or discriminate for ourselves. They say, "Apply the rules of the society." The rules of the society say we want a certificate of incapacity from the doctor.

9304. Naturally you would like to put all on the doctor?—We think they should do a little more.

9305. Have you had any cases in which you have had to resist your member's claim, because you thought the illness was due to accident?—Quite a large number of compensation cases.

9306. You have taken them up for the insured person?—We have instructed them to make claims for compensation. We have not had to take up a case yet legally. They usually come through when we tell them to ask.

9307. They have generally been able to arrange for compensation?—Yes; in one or two cases we have written direct to the firm, and compensation has been paid.

9308. Is it more difficult for your people to get compensation for accidents, than to get compensation for industrial diseases?—It is considerably more difficult to get it for industrial diseases.

9309. Can you tell us the reason why that is?—There are so many alleged reasons why they should not pay for industrial diseases. They always query them, and send them to the doctor for examination, and if he does not certify, we have to adopt the usual methods of getting him before a medical referee.

9310. Are the employers insured against liability for industrial disease?—Yes.

9311. So it is not the employer whom you have to fight?—No. It is usually the insurance companies we have to fight.

9312. Do you recognise that you could refuse any claim in which illness was due to the patient's own misconduct?—Yes.

9313. Have you ever had to do so?—No.

9314. Do you expect a doctor to give a certificate "I believe that this illness is due to the patient's misconduct"?—I think if it can be worded in such a manner as to assist this, it should be done, and I believe that the doctors in one instance issued a model certificate which would embody these words.

9315. Recently; they do not do so now?—No.

9316. You are not at the moment relying on the doctors saying so?—No. It is usually in our hands to make investigations. The point I am making is that it should be expressed in some terms which would make it known to us.

9317. You do not think it possible for you to employ a doctor to scrutinise your certificates from that point of view?—That may be one of the things that would come into the duties of the medical referee.

9318. If you could get out of your necessity of paying claims in a considerable number of cases, as the result of professional advice, you would save your sick fund?—Possibly. I could not say whether it would be any appreciable amount.

9319. It would depend on the number of these cases which you would recognise as cases in which you should not pay?—Yes.

9320. The point is that you really could not be expected as laymen to understand all these terms?—We cannot.

9321. Your view is that the referee should be appointed by the State, and should be a whole-time man?—Yes.

9322. Because you desire him to be absolutely independent of all other outside influence?—Yes.

9323. Particularly what you regard as the bias towards the employing class?—I would not like to put that phrase in. I rather think that outside influence is apt to bias them.

9324. Do you have a declaring-on form for your insured person to fill up?—Yes.

9325. Does it give the person any indication of the conditions on which they are justified in claiming sickness benefits?—It is the Commissioners' form which we use. It only states that they are not entitled to anything, if it is a case for compensation.

9326. Do you think that it would be of any assistance to you if, when a man filled up that form, his attention was drawn to the fact that he could only claim in certain circumstances?—It is plain enough, and I do not know whether it might be printed in red ink, or something like that.

9327. You think that all the information that a man could have with regard to the conditions on which he might claim sickness benefits are set out?—So far as compensation is concerned, it says that a patient may not state his illness as illness, if there has been an accident, but must state accident.

9328. That does not deal with industrial diseases?—No.

9329. Possibly in the case of an approved society like yours that point might be brought out, and it might be possible by improving the form to bring home to the people their responsibility in applying for sickness benefit?—I quite agree.

9330. (*Miss Macarthur.*) I see in your form of application for membership, question No. 8, "Are you in good health, and free from any disease when applying for membership?" Was this question replied to?—We are only asking it now. In the formation of our society, that question was omitted in the first instance in our original forms.

9331. So when you formed your society I suppose you took anybody, irrespective of their state of health?—Yes. If they were trade union members, we felt bound to take them into our approved society.

9332. Did you take any who were not at the time effectively employed?—No.

9333. So they must have been in at least as good health as that?—Yes.

9334. Have you many women employed in the dipping houses among your members?—I really could not say what the percentage is, but we have some lead workers.

9335. Is there not another organisation of them, or are you all amalgamated into one society?—There is the oven men's society for lead workers in the trade union. I do not think that they have any members, or very few at any rate.

9336. So far as the women in the dipping houses are concerned, you are not in any sense an effective organisation?—No. We are not.

9337. You cannot give us any idea of the percentage on the State side?—Unfortunately I could not give the percentage of lead workers on the State side.

9338. With regard to your interview with the inspector, you seemed to imply that after that interview you altered your procedure. In what sense did

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you alter the procedure of the society?—We were not quite aware that we could query the doctor's certificate to the extent of stopping benefit.

9339. Until you saw the inspector you thought that the doctor's certificate of incapacity did entitle the member to benefit?—Absolutely, and we have been refusing it, and are beginning to query it afterwards.

9340. Did the inspector recommend that you should make further investigation?—Yes, and that we should not pay in any normal cases of pregnancy, unless there were some other complaint, and then inquiries should be made.

9341. You feel, referring to that letter which you read, that it is a difficult matter for you to decide whether or not pregnancy involves incapacity?—Very difficult.

9342. You think that the doctor would be in a better position to judge than you would be?—Certainly. We want all the assistance which we can get from the doctor in these cases.

9343. So you find it very difficult to refuse a certificate for pregnancy, when the doctor certifies it as involving incapacity?—Very difficult.

9344-5. (*Mr. Watson.*) You told us that you had 6,750 members of the union, of whom 2,500 are insured in the approved society. Can you suggest any reason why the majority of the members of the union went to other societies?—It may be relevant to it that the evidence that I offer is that we have been simply outwitted in our district by a league of the employers and the large collecting societies, in the sense that the employers have dictated to the workers that they must go into these societies, and not into ours.

9346. Do you mean local societies?—I mean the — and the — Societies. They have got branches in our district.

9347. You do not say that the members of the union themselves preferred to go to some other society, because they knew that the trade was an unhealthy one, and they were afraid to join the trade society?—No. That does not influence it at all.

9348. They never thought about it at all?—They never thought about it. Some of them are willing to come back, and are in fact coming back from these other societies.

9349. You devoted very much attention to claims during pregnancy. Did you tell us that you have had in all 236 weeks of benefit paid before confinement? That obviously would not account for the whole of the excessive sickness claims?—No. It would account for a large amount of it, and also the period before and the four weeks after confinement to which they are entitled.

9350. That cannot be in any case in excess of the provision made; that is all provided for?—It was thought to be provided for, but they do not seem to be ordinary cases, but there were so many pre-confinement cases that have already come on.

9351. To what do you ascribe the very heavy excess that appears to have arisen among the men?—Well, you understand that we took them without medical examination, and I think that must have some effect in that way. We took in all classes of men, irrespective of medical examination. Then, again, there is the employment. We have got 57 cases of respiratory diseases, and, probably, if I understood the terms, you would find more among the men. We have had about 13 deaths since the commencement of the Act owing to diseases from occupation, phthisis and kindred diseases.

9352. You have had 13 deaths returned among 1,447 men?—Yes; I am speaking of cases in England.

9353. That is the total number of deaths?—Yes.

9354. Are there any deaths from other causes?—Yes, there is one of acute rheumatism; there are two rheumatisms. There is one tenebricard, but I do not know exactly what that term is.

9355. What is the total number of deaths altogether which you have had?—The total number of deaths in the English members is 13.

9356. What inference do you draw from that?—I would say, in the first place, it demonstrates the bad lives we have had, and in the bad cases some have drawn sickness benefit for a considerable length of time.

9357. But you have only 13 deaths, during the

many months since the commencement of the Act?—Yes.

9358. Does it not seem a small number in such a large number of persons?—The percentage may be low.

9359. Your evidence is that the number of deaths is a reason for the assumption that there is excessive sickness due to the many occupational risks?—Yes.

9360. But you have had only 13 deaths in 15 months amongst 2,500 persons. That does not seem to be a very high number?—But you have to couple with that the chronic cases, some of whom we took in, and with whom the tendency is straightaway to go on our funds and begin to draw on them.

9361. Did a large number of the chronic cases go on your funds immediately as a matter of fact?—Yes. Several of these diseases immediately came on benefit.

9362. Did they remain there for many weeks?—One case I believe went on the whole 26 weeks, and one died the first week. There have been others in the intermediate stages between them.

9363. Have you any reason to think that you have more than the average proportion of bad lives?—I should imagine that we have.

9364. Why?—Well, the summary of the diseases given here shows that to some extent there were bad cases in the first place.

9365. But you tell us that out of 2,500 members, who were a sort of remnant rescued from the clutches of other people to form your approved society, there were 13 deaths. Now, were these 2,500 persons a fair average of all the people in the trade unions you know, or do you think that some members who were rejected by another society came to you, and you took them on?—We have taken no rejections from other societies.

9366. I do not say that you have, but have you any reason to think that the bad lives you speak of were first of all proposed to another society?—We have taken no rejections from another society; we refused in two instances rejected members.

9367. Have you any reason at all to think that you have had bad lives beyond the average of bad lives of the whole population?—I am not competent to judge myself, but from our average it seems to me that the tendency is more than we should have.

9368. You have had bad lives among your members?—Yes, owing to the occupation of the people.

9369. Owing to natural causes?—Yes, but we hope to eliminate a number of the chronic cases.

9370. But other people have had chronic cases too?—Yes.

9371. Have you really any reason to think that you have got more than the right proportion of bad lives?—I could not give concrete evidence: it is only our belief that we have.

9372. You say that you have had 71 influenza cases in the spring?—Yes.

9373. Were all these cases in one district?—All in the same district.

9374. You have women visitors attending the women?—Yes.

9375. And you find the women visitors were ineffective, because they always went at the same time?—The time at which they can go is very limited. It is not always the same time. They must go outside working hours.

9376. Do you rely entirely, on the question of incapacity, on the doctor's certificate?—Almost entirely on the doctor's certificate.

9377. But does a sick visitor make any report to you in respect of married women whom she finds working?—Yes, in one or two instances she reported that married women were doing their household business.

9378. They found the women were in fact working?—Yes.

9379. And that the doctors had stated that they were incapable of working?—Yes.

9380. You considered the offence not very serious, or only sufficiently serious for a warning?—Yes, because there is a tremendous amount of ignorance in regard to

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these difficulties. We consider that a warning in the case would prevent the offence from growing. It is very difficult to get married women off your hands.

9381. You do not say that the doctor was not justified in reporting the person incapable of work in such cases?—Originally she may have been incapacitated, and it was possible that he was not aware that she was doing this sort of thing. He simply signed the continuation certificate.

9382. You never raised the question with the doctors?—It is only recently, since our lady organiser, Mrs. Lawton, drew attention to it, that we began to see that we ought to have taken action in it earlier, and even now we ought to visit the doctors more than we do.

9383. Have you had any experience of sickness benefit yourself before the Act came into operation? Had you to learn it?—Yes, but I knew of course the old friendly society methods. I have been a friendly society official for 13 or 14 years, and I am now the secretary of a small order of Druids. I have had experience in that way, but the ordinary friendly society methods do not seem to be sufficient.

9384. Did you accept, without checking, the doctor's certificates?—I usually did accept without query.

9385. But the relations between the doctors and the friendly societies were different in those times?—Yes.

9386. You do not realise that the different relations have set up different conditions altogether?—No, I never saw it in that light.

9387. (Mr. Warren.) You have 30 branches, have you not?—Yes.

9388. Your branches elect delegates to a meeting, and these delegates appoint a representative council?—Yes.

9389. And your representative council sets up the various committees, including this health insurance committee you speak of?—That is so.

9390. Your health insurance committee is charged with the duty of administering national insurance in respect of your members?—Yes. Subject to confirmation by the full committee of the whole council.

9391. It is subject to confirmation by the full representative committee, and reviewed at the annual meeting?—No, reviewed at the monthly meeting.

9392. Reports come from your health insurance committee to the whole representative council?—Yes.

9393. You hold an annual meeting?—Yes, we have an annual delegation of the union, following the end of the financial year in June.

9394. There seems to be, from your evidence, a general misunderstanding of the principles of insurance?—Yes.

9395. And that is so particularly in respect of women?—That is so.

9396. What would be the average earnings of the women? You told us that the men earned from 1*l.* to 3*l.* per week. Can you give us the average earnings of the women?—The average earnings of the women might be put, roughly speaking, at an average of 10*s.* a week.

9397. Is there any sickness benefit paid by the union?—No.

9398. So that a benefit of 7*s.* 6*d.* would be an inducement to women whose average earnings were 10*s.* to go on the funds?—Yes, there would be a tendency, but how far it goes we are not able to say.

9399. But you find that there has been an unwillingness to return to work, particularly after confinement?—Yes, that is so.

9400. You find some difficulty in understanding the technical terms used by the doctors? You do find a difficulty in not always clearly understanding what a member is suffering from?—Oh, a considerable difficulty.

9401. From your experience you would urge on the Commissioners to make it compulsory upon the doctors to state the nature of the illness?—Yes.

9402-4. To state it clearly, and, might I say, in English?—Yes.

9405. Many doctors will not even tell private patients what they are suffering from?—That is so,

but it is supposed that if they were told they would not survive.

9406. You think that it would be a material advantage if medical referees were appointed, and that they should be gentlemen who were separate and apart from any outside influence whatever?—That is my opinion and the opinion of our committee.

9407. That they should be appointed by the Commissioners?—Yes.

9408. You state in fact in your evidence that members were admitted without any medical examination?—Yes.

9409. Would you, from your knowledge of the people, be able to state if, in your opinion, you have had to clear off arrears of sickness on the part of men and women, who were in more or less imperfect health when they came into the approved society? Have you since been working off those arrears of sickness?—I feel convinced that that is so.

9410. You clearly understand what I mean—that prior to the national insurance men were not in a position to take any risk, and that since the introduction of the Act they have been availing themselves of it to recover from whatever they might have been suffering from?—Yes. You mean that there was not in the past sufficient income to allow them to take the necessary rest, but that now there is a little more added to the voluntary side, 1*l.* instead of 10*s.*, it enables them to take the necessary rest.

9411. Do you think that that is the fact in all societies?—Yes, I think so.

9412. I take it from your knowledge that your sickness is due to the occupation of your members?—In a very large measure.

9413. Are there circumstances surrounding their occupation that could be remedied?—I think it will be a diminishing quantity in the future. We have just got new regulations, but as a matter of fact respiratory diseases are getting rarer than they were even before these regulations.

9414. I take it that employers are improving the conditions under which the men are working?—Yes.

9415. You say in your evidence that the housing question is also a contributory cause?—Yes. In Stoke-on-Trent we get most of our cases from a very poor area indeed. We get more of one doctor's cases who is working in a particularly poor area, than we do in any other in Hanley.

9416. What are the sanitary conditions of the Potteries? Do they contribute in any sense?—That represents the conditions of the housing. We are going ahead in Stoke-on-Trent in bringing about a removal of the cesspools from houses, and so on.

9417. And the slum areas?—Yes.

9418. And you think that they will improve?—Yes, we are getting rid of them.

9419. Have you come across cases of the doctors giving certificates post-dated or ante-dated to any extent?—We cannot find concrete evidence. We have only our suspicions.

9420. You told us, during the course of your evidence, that you have had some experience of friendly societies in so far as you are a secretary of a branch of the Druids?—Yes.

9421. You have had some knowledge of the medical benefits conferred by the Druids?—Yes.

9422. Would you say that in your opinion it would be an advantage if the old contracts were returned to, and that the doctors were in close connection with the branch or the society?—I feel assured that the old relations between the society and the doctors, if returned to, would be a distinct advantage for the doctors and the patients.

9423. (Mr. Mosses.) Have you been a practical pottery worker yourself?—Yes.

9424. You have had an intimate knowledge of the trade, and of the trade union connected with your industry?—That is so.

9425. Is the State insurance scheme being run as part of your trade union activities?—Yes.

9426. Are there the same officers and the same organisation?—Yes.

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9427. Do you limit the membership of your State side to those who are on the voluntary side?—No, it is an open membership.

9428. Have you many members who are not members of the trade union, but who are members of the State side?—I think there is a fairly good percentage who are not members of the trade union.

9429. You could not say what number exactly?—I have not the precise figures.

9430. I believe the general work of the pottery worker is pretty hard, is it not?—Yes, in a number of instances it is hard.

9431. They have to work in heated shops, and in humid atmosphere, and in some cases it is dangerous to health?—Yes, but not to life.

9432. Those engaged in these processes are only allowed to work a certain number of years, is that not so?—No, there is no time limit of that character fixed.

9433. Are they subject to medical examination periodically?—To a monthly examination.

9434. Do you know whether the women are doing the same work as men in that trade?—In some branches of the trade they are doing the same work as men.

9435. They are very hard-worked?—Yes.

9436. Does the arduous nature of their occupation cause the excessive sickness of which you complain?—It may to some extent, but not appreciably.

9437. Do you complain of excessive sickness claims?—We must do so from the financial standpoint, but I do not complain from the point of view of the people who are being benefited.

9438. Your sickness records are very much more unfavourable than they were before the Act came into operation. I take it that you have more people sick, and that you are spending more money proportionately than you were before the Act came into operation?—Yes.

9439. You have had good trade recently?—Yes, we have never had better trade in the Potteries than during the last three years.

9440. But in spite of the fact that trade is prosperous, your sickness claims have increased?—Yes, but I may say with regard to that that we have never had a sick society before.

9441. With regard to the management of your organisation, you have a large number of women members?—Yes.

9442. On the State side, or the trade union side?—On both sides. We have 2,000 members on the trade side out of 6,700.

9443. And how many are on the State side?—We have 626 in England, and 141 in Scotland.

9444. Are these women identified with the management of the organisation on either side?—There is a woman representative on the insurance committee of the society, and we have a lady organiser.

9445. Are they represented on the management committee on your State side?—Yes.

9446. Of your approved society as a whole?—The same management committee conducts the business as a whole.

9447. You have had a female member on your management committee?—Yes.

9448. Is she popularly elected?—Yes, she is popularly elected according to the rules.

9449. Do you find that doctors grant declaring certificates very readily in your trade?—We think that they grant them rather too readily.

9450. Have you had cases in which complaints were made that the doctors had refused certificates?—They have not come to our knowledge.

9451. Have you any complaint to make with regard to the duration of sickness? Do you think that some of your members stay on too long?—In one or two cases, particularly in the case of confinement. In the case of men we have not much complaint in that direction, but there is a reluctance to go back to work on the part of women, which is partly caused by the fact that they have not had experience in insurance. They only earn 10s., and they get a benefit of 7s. 6d. They are so ignorant of the working of the scheme that they think that they are entitled to the whole 26 weeks'

benefit. Some of them thought that they could remain on the whole 26 weeks.

9452. As a matter of fact they have not grasped the principles of insurance?—Yes, they have not grasped them. Sometimes they say they cannot go to work, and that they will have to wait to get another job.

9453. You tell us that they wait to get another job. How did you find out these cases?—These have only come to our knowledge recently through our woman visitor.

9454. Are there many cases in which women have remained on until they got another job?—There were two cases.

9455. In those cases, do you make them refund what they have got, or do you simply stop their benefit?—We stop their benefit.

9456. You do not penalise them in any way?—We have not done so up to now. We did not think that they were cases of gross fraud on the funds. It is more from ignorance, and not understanding the principles of insurance.

9457. How often do your sick visitors visit the insured person on benefit? Do they visit them every week?—In any case where we have no doubt—in any clear case—we do not trouble about the first week or so, but the visits are about twice in the week.

9458. Is the benefit taken to the sick person?—Yes.

9459. By whom?—By the sick visitor.

9460. Do they pay the benefit and the sick visit at the same time?—Yes. The men have to do it outside their working hours, and being only a small society we cannot afford to have permanent men doing it, as we have in the case of women.

9461. Have you ever considered the propriety of appointing medical referees?—Certainly, it was recommended by the Stoke-on-Trent Insurance Committee to be laid before the Commissioners.

9462. That would be a medical referee for the district?—Yes.

9463. Not especially for your organisation?—Oh, no.

9464. (Mr. Burn.) Has your society increased in membership recently?—We have put on a thousand members during the last quarter.

9465. Two years ago it would be very much less?—Between five and six thousand.

9466. So that probably the effect of administering the National Insurance Act was to increase your membership?—That was one of the main reasons why we took it up. We thought that we ought to provide the necessary means for our trade union members, so that they would take their insurance from us.

9467. Your membership on the State side is only 2,500?—Yes.

9468. And it is in some instances very scattered, I think? In one place you have only three members?—It is a very scattered membership.

9469. You have had difficulty in administering, but the difficulty must be greater where you have only so few members. That is so, is it not?—Yes, but in most of the scattered districts we have had no difficulty in administration, nor have we been affected by sickness experience. It is only in a few centres that we have had any sickness claims. Those branches are probably our best.

9470. It would be very difficult to have any effective check on sickness at a great distance from your headquarters?—We have written giving the stewards instructions to make full inquiries respecting each case.

9471. Your experience is that the number of exceptionally bad lives has been very high, very much higher than in the collecting societies conducting insurance?—We have not been able to make any comparison, but we know that we are high; it is a serious matter to us.

9472. Have you recognised what would be the position of your society at the end of three years, if your past experience continued as it has been?—That is what is giving us such worry for such a length of time.

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9473. I understand that you are worried at what would be the position of your society? What would be the effect?—The effect would be to increase the contribution or to reduce the benefit, if we did not find ourselves in a sound financial position.

9474. Do you think that the members who are coming back have recognised what the difficulty is going to be? It is rather a big thing, for the sake of a trade society, to come into another society which is getting into such desperate straits as you hinted at?—That is one of the reasons I was anxious to assist this Committee as far as possible by giving evidence to the Committee, and why my committee decided to send me.

9475. I notice that the name of your society is the National Amalgamated Society of Male and Female Pottery Workers. Can you tell us what is the meaning of that? Has it any real meaning?—It is the growth of circumstances, and is owing to the progress of the society. There was a National Pottery Workers Society in the first place, and I understand that there were a lot of branches, and they began to amalgamate with the printing and china trade and they called it the Amalgamated Society. Then we took in women and it was called the Male and Female Pottery-workers' Society.

9476. You are aware that there is another approved society called the National Amalgamated?—Yes.

9477. Your society has no connection with that?—None whatever.

9478. (*Dr. Smith Whitaker.*) Dr. Pearse asked you some questions as to whether diseases, certified by the doctor, might on enquiry have been found to be a form of lead poisoning?—Yes.

9479. Besides lead poisoning, you have other occupational diseases to which pottery workers are particularly subject?—Yes, but we cannot claim compensation for respiratory diseases.

9480. You do have forms of illness produced by the inhalation of the dust of the potteries?—Yes.

9481. You have what is called potter's rot?—Yes.

9482. Some of the cases of phthisis alluded to may have been due to that cause?—Yes.

9483. Have you found on inquiry that they are due to that cause?—Undoubtedly some of them are. Some of them are old potters. We have these cases, and ordinary tuberculosis as well.

9484. (*Miss Wilson.*) You state that you take up compensation cases for your members. Would that apply to the approved society side? Would you take up cases of members of the approved society?—In all cases which we have put in our solicitor's hands, they have been trade union members and the cases have been conducted as such.

9485. Were any of them approved society members?—We have not had any of these cases, where they were approved society members. We have not put any cases of State members in our solicitor's hands. We only put them in our solicitor's hands, roughly speaking, when representations have failed.

9486. Representations in the case of any of the members of the approved society?—Yes.

9487. How many?—I think about three cases.

9488. Do you find that in industrial cases—I am not talking of accidents—you have to employ your solicitor on the trade union side a good deal?—There is continual pressure on our trade union side, in industrial diseases. When one case is finished, another comes on. We are never out of a case.

9489. You find that they are difficult cases in which to recover?—Very difficult, indeed.

9490. You stated, in reply to Dr. Shaw, that in some cases the employers were insured against liability to their employees, but there may be other reasons why they want lead poisoning cases proved, apart from the effect on the premium?—Yes.

9491. A good deal of attention has been paid by the Home Office to the question of lead poisoning?—Yes.

9492. Are employers rather afraid that if there were a large number of cases the special regulations would be tightened up?—Undoubtedly.

9493. So that they would be anxious that there would not appear to be a large number of cases of lead poisoning?—Obviously, that is so.

9494. That perhaps has added to the difficulties?—Yes.

9495. There are difficulties in fighting compensation cases. The doctors are also aware that it is not easy to get compensation in the case of industrial diseases, so that in doubtful cases they might think it to the interests of their patients, perhaps, not to draw attention to the possibility of its being a lead poisoning case?—Yes.

9496. The person might be sure of benefit from insurance, whilst it would be doubtful if they would win in the compensation case?—Yes. It is explained to our members that it is always better for them to make a claim for compensation.

9497. The employer is always written to at once before putting it in the solicitor's hands, when you think of fighting the case, because unless it is a very clear case, you would not think of doing so?—We never hesitate to take all the preliminary steps. Our solicitor straight away sends our members to an independent doctor, and gets medical examination. If he gets any encouragement, we go on with the case; if not, we drop it.

9498. When the referee thinks it a good fighting case?—Yes.

9499. I use the term referee, but possibly the right term is a private doctor, who is retained by the solicitor, and to whom the solicitor sends all your cases?—Yes.

9500. So that technically he is not a referee under the Compensation Act, but your solicitor uses him as such?—Yes.

9501. As an adviser?—Yes.

9502. (*Chairman.*) Just let us get this plain, and see that we understand it. A person working in the Potteries is, roughly speaking, entitled to go to a certifying surgeon, and ask for a certificate of disablement?—Yes.

9503. And if the certifying surgeon refuses him a certificate of disablement, he is entitled to go to a referee for it?—Yes, the appeal must be made within seven days.

9504. He has a right to appeal from the surgeon to another doctor?—Yes.

9505. And that doctor decides?—Yes, that is the usual procedure.

9506. Do you find that the men affected are taking advantage of that procedure?—I think in the past that they were not willing to take advantage of it.

9507. What are they doing now? What is the present practice?—I think the workers would be just as unwilling to press their cases if it were not for the Insurance Act coming along, and assisting us by its regulations, and saying that in such cases compensation must be paid or benefits refused.

9508. Why is it that they are unwilling to take action?—Because we have had cases—it is most difficult to prove them—of dismissals.

9509. How long, when the claim is established in respect of lead poisoning, do people go on receiving compensation?—It is a long business. It is a lifetime business with some of the cases.

9510. Dismissal does not enter into it?—In other cases they do get better, and want to return to work, but it is fatal to a man getting back to work to have had a compensation case, even when he is perfectly recovered.

9511. I thought lead poisoning was a cumulative business, and that you never can get it out of your system?—That is what we are told.

9512. That seems to be the view taken by section 8 of the Workmen's Compensation Act of 1906?—Yes.

9513. Clearly the framers of that Act thought that that was so?—Yes, but that does not prevent the people from recovering sufficiently to be certified as not suffering, and perhaps they would be only slightly affected. The difficulty is in reference to working afterwards.

9514. I can understand that a workman may desire to get back, but do you not know, as a fact, that he

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ought not to go back to lead process work?—I am certainly inclined to the view that he never ought to go back.

9515. Generally the medical officers tell them so?—Yes. The only difficulty is that perhaps the man has no maintenance allowance.

9516. That may be so?—I quite agree that they ought not to go back, once they have suffered from lead poisoning.

9517. You have got the procedure ready at your hands, if you use it in the case of insured persons suffering from lead poisoning. All you have got to do is to force them to go to a certifying surgeon?—That is so. They do not go to a certifying surgeon, as they think he would be compelled to suspend them from benefits.

9518. In how many cases have you compelled them to go to the certifying surgeon?—It is only a matter of the mode of procedure. It is not a matter of compulsion.

9519. I want to know in how many cases you have in fact been obliged to send them?—From the State side I have only one clear case in mind.

9520. You do not suggest that out of the two thousand and odd people you have got in your society you have only had one case recently which you could trace to lead poisoning?—We are up against the difficulty of not being able to determine.

9521. Do you say as laymen, with all the means open to you to have the question decided, nobody takes the obvious steps?—Personally, once I think it is a case for compensation, I am never afraid to take any step necessary. We always know the nature of

the occupation, but we want to know whether the doctor appeared satisfied.

9522. You cannot have it both ways. Your case is that the occupation is extremely unhealthy, and that all the workers in these potteries are much more liable than the general run of the population to have some diseases?—Yes.

9523. And that disease which they are more liable to is due in some way or another to lead poisoning?—Not necessarily. That is only one branch. There are other occupational diseases in which compensation cannot be claimed. We can claim on plumbism as an industrial disease.

9524. Does plumbism affect your sickness benefit?—I could not offer concrete evidence.

9525. Is it substantially affected?—I would not like to say that it is substantially affected.*

9526. Has it affected more than one case?—I should like to look into the records, and to verify them.

9527. You are interested from the trades union side as well as from the other side. You are not going to tell the Committee that only one case has arisen in the course of nine or ten months which is due in any way to lead poisoning?—Personally I cannot imagine that to be the case.

9528. Do you think that by applying the machinery of the Workmen's Compensation Act you could get a reduction in your sickness claims?—I would not like to say without going into it.

* After further investigation Mr. Hollins subsequently stated that plumbism did not substantially affect the claims for sickness benefit made on the society.

The witness withdrew.

Mr. E. SAUNDERS (*Assistant Secretary of the Tunbridge Wells and South Eastern Counties Equitable Friendly Society*) examined.

9529. Are you assistant secretary to the Tunbridge Wells and South Eastern Counties Equitable Friendly Society?—Yes.

9530. That is, I think, a friendly society registered under the Friendly Societies Act, and founded a good many years ago?—Yes, in 1881 the parent section was founded.

9531. And that has now formed a separate section for the purposes of the Insurance Act, and has been approved?—Yes.

9532. Can you tell me how many members you have insured in the approved society?—About 80 per cent. of the parent section.

9533. What is the total membership of the parent section?—25,000.

9534. And 80 per cent. of those are in the approved section?—Yes, but that does not complete the section.

9535. 20,000 of these are in the approved section and how many besides?—About 10,000.

9536. Did the parent society admit both men and women?—Single women came into the parent section only.

9537. And when they married, you turned them out?—Yes.

9538. But the approved society, of course, accepts married women, does it not?—Yes, if they are insurable.

9539. The total membership of the section is 30,000?—Yes.

9540. Can you tell me how many of these are men, and how many are women?—There are 22,000 men and 8,000 women.

9541. Can you tell me of the 8,000 women, how many are married, and how many are single?—I am afraid that I could not give the exact figures, but the proportion of the married women would be small.

9542. The private side insures for sickness benefit, does it not?—Yes.

9543. Can you tell me what sickness benefit a week it insures for?—Varying sums—5s., 10s., 15s., 20s., 25s., 30s., according to the class the member belongs to.

9544. What is the ordinary amount?—About 15s.

9545. For men and women?—No, about 10s. is the middle class for women.

9546. May we take it then that all those persons who are insured in both societies are, in the case of men, probably insured for somewhere about 25s. a week, and in the case of women about 17s. 6d. a week?—Yes.

9547. Did you prepare a scheme under section 72 when the Act came into operation?—Not that I know of. I really do not know anything about it.

9548. Speaking generally, do you find that demands are being made on your funds on the State side which are in excess of what you regard as proper?—No, we do not think so.

9549. Of course everyone has unfortunate cases, but do you think, roughly speaking, that those people only who are entitled to sickness benefit are in fact coming on the funds?—We believe that that is so.

9550. Can you give us any figures as to your experience?—I have some figures referring to the first quarter in which sickness benefit was paid, from January to April. The amount paid to men for sickness benefit was 1'45d. per week per contribution—per 7d.—taking each man as having paid a full contribution. Women on the same calculation 1'61d.

9551. Is that sickness benefit only, or does it include maternity benefit?—No, only sickness benefit. I have not got the figures for maternity benefit.

9552. What are the figures for the second and third quarters?—I have not got the figures.

9553. Have you any other figures you could give us on the subject?—I have here the complete payments for the first three quarters. In the first quarter 1,599l. was paid to men in sickness benefit, and 440l. to women. In the second quarter 1,365l. to men, 334l. to women; and in the third quarter 1,093l. to men, and 576l. to women.

9554. There is no experience, I suppose, that you can give us since the end of the third quarter?—No; the highest week we have had since last winter was a fortnight ago, and we then had 100 on extra in one week, but I have not got any more complete figures than that for the current quarter.

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[Continued.]

9555. Do you know anything about the figures on the private side?—No, I do not.

9556. You could not tell us whether, as a matter of actual fact, claims on the private side since benefits came into operation have been greater or less than the experience of the past?—The chief secretary told me that there was no noticeable effect. It was just about the average experience of the years before the Act was inaugurated.

9557. So that in all that we are going to say to you, and that you are going to say to us, we may assume that you have had a very favourable experience—probably better than you expected?—We have not had an opportunity of comparing with the Northern and Midland societies.

9558. But comparing it with the ideal best?—We are having a pretty good time.

9559. When you say any word of complaint, we shall always remember that you are complaining that the thing is not as good as it might be, but that it is as good as you could reasonably expect?—Yes.

9560. What class are your members drawn from principally?—Chiefly from Kent, Sussex, Surrey, Hampshire and London. The London membership is composed principally of clerks and some mechanics.

9561. What about the people outside London, what are they?—In the agricultural districts they would be agriculturists. We have agencies in Brighton, Eastbourne, Hastings and the coast towns, which would be a mixture of mechanics and clerks.

9562. Do you go into the industrial parts of England?—No, we have a few isolated members all over the United Kingdom, but they are members who have wandered away from the south-eastern countries.

9563. Not necessarily after having become members of the approved society?—No.

9564. You recruited members of the parent society, wherever they might happen to be?—One rule of the parent society is that they should attend for initiation. The consequence is that we have very few members of the parent section who become members out of the radius of an agency.

9565. When once in the parent section, you accepted them in the approved society, whoever they were?—Yes.

9566. Is this initiation ceremony a real ceremony that actually takes place?—Yes.

9567. Do you find that your members, generally speaking, understand what insurance means?—Some do not. We had, and still have, a good deal of difficulty with some of our agricultural members in getting them to follow out simple instructions, and to understand what is their right, and what we expect of them.

9568. You mean when they are making claims?—And at any time. The whole existence of insurance with them means a great deal of correspondence, and a good many meetings, and that kind of thing.

9569. It does not seem to result in excessive claims?—No.

9570. Do you think that they realise that it is their own money that they are drawing?—I think that the majority of them do now.

9571. The agriculturists?—Yes, I believe they do.

9572. That perhaps is due to the long series of years of education carried on by the parent society? You have very few people who are new to insurance?—Very few. I think that the life of the parent section has had a good deal to do with that.

9573. Have you found any people who, you think—I do not say are defrauding you—but who are coming on the funds, or stopping on the funds, when they ought not to, through a desire to get their own back, or something of that kind?—We have had a very few isolated cases, which would give us that impression.

9574. What about deliberate and conscious fraud? Have you found any of that?—Only two or three cases—not more than three—where we have been able to pin them down.

9575. What about the question of the doctors? I suppose the old society did not give medical benefit, did it?—Yes.

9576. How was it arranged in the old society?—By a mutual arrangement with the doctor in the district of the agency.

9577. When you say mutual arrangement, who made it?—The chief secretary and the officers of the grand lodge at the headquarters.

9578. They made the arrangement with the local doctor. Was the doctor chosen locally?—We asked those who were organising a new agency in the district for the name of a doctor, or doctors, if they were accessible, and then we used to meet those doctors and choose one, or two if it was a large area.

9579. But the locality itself did not have any particular voice in the choice?—Only by recommending the doctors in the first place. So far as the financial arrangements were concerned, it was all done between the doctor and the headquarters staff.

9580. Did the members like having a doctor chosen over their heads like that?—They had the first option of naming them. We did not go to a doctor who was not named.

9581. They would name a number for you to select one out of?—No.

9582. Did they elect him in lodge meeting?—No, he was not elected in that way. He was chosen by the executive of the lodge.

9583. So that a group of people chose for all the rest?—Yes.

9584. Having chosen him, what was he paid?—There was no flat rate through the society. We had to meet the doctor, and in some cases he was paid 4s. and sometimes 5s. or 6s. a member, and sometimes a varying rate between juveniles and adults.

9585. Did the contribution paid by the member in respect of medical benefit vary according to the amount you paid the doctor?—Yes, we charged the net cost of the doctor.

9586. And you paid over the whole sum?—Yes.

9587. Did you find in fact that when a doctor had been chosen for a particular agency, all the members in the agency went to him?—No, they did not always.

9588. Did they have to pay their contributions whether they went or not?—We had another scheme which we called a central medical fund, into which a man paid 6s. a year, and then we paid a portion of any doctor's bill which would accumulate against him.

9589. That was his option. He could have either plan?—Yes.

9590. There was no question of anyone being forced to take a particular doctor?—No.

9591. I suppose that there was pretty close touch between the secretaries of the agencies and the doctors who were acting for them?—Yes.

9592. And you must have had a good many doctors acting for the society about the country?—Oh, yes, a lot of them.

9593. When the medical benefit came into operation, how did you find the doctors treating you?—Generally our experience has been very good. We have had very little friction, and very little difficulty in getting doctors to take our people.

9594. Do you find that you get out of them the certificates that you think necessary to enable you to carry on the business?—Yes.

9595. Filled up in the way you wanted them filled up?—Yes, very few queries.

9596. And enough information on the certificate to enable whoever it was who dealt with it to form some judgment?—Yes, as a rule.

9597. And when there have been differences, has the doctor been accessible?—Quite.

9598. And willing to reconsider the question, when you told him that there was not the information on the certificate that you required?—Yes, when we have asked them to add to the certificate, we have found them willing to do so.

9599. Has that been your universal experience in London as well as in the country?—Generally speaking, yes. We have had difficulties in one or two cases, but they have been so very rare that you cannot really call them part of the experience.

9600-1. Of course you have members in Kent?—Yes.

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9602. Do you remember during part of the year that the Kent doctors were remunerated on what is called the attendance system?—Yes.

9603. Did you find in Kent, or in those districts where that happened, that there was any appreciable difference between the claims sent forward and the rest of England?—No, we did not notice it, but in the corner of Kent where apparently there was most trouble, we have very few members.

9604. Will you tell me a little more about your society? It is not a society organised in branches, in the strict technical sense of the word?—No.

9605. A deficiency or surplus is borne or shared all over the society?—Yes.

9606. When a man falls sick, and thinks that he wants to go on benefit, what does he do?—He sends in a declaring-on note accompanied by a certificate.

9607. By post?—If he is not within reach of an agent. The secretaries of the agencies of our parent section also act as agents for the State section.

9608. How many agencies have you got altogether?—139.

9609. Does that cover the south-eastern counties pretty well?—Yes, seven in London, one at Norwich and one in Cambridge. They are the only ones north of London.

9610. He would send it to the district agent. Is the district agent a paid man?—Yes.

9611. Is he a whole-time officer?—No.

9612. A working man doing it in his spare time?—Yes.

9613. What is he paid in the State section?—They are paid per claim. 3d. per week for each person whose State business they handle.

9614. Do you mean each person on sickness benefit?—Yes.

9615. They have a direct interest in admitting claims?—Yes, they have, if you put it that way, but they have no control over approving the claims.

9616. They receive these claims. What do they do with them?—They send them on to us.

9617. They do not pay anything themselves or exercise any judgment?—No.

9618. Do they send them on to you with, or without, comments?—It depends largely upon the personality of the agents. Some are men who gather up evidence, which they know we shall want, and send it straight on. Others have to be asked to make further enquiries afterwards.

9619. They are all people who have had considerable experience with the parent society?—Yes.

9620. You get the claim with or without comment. What do you do when you receive it? Is your head office in London?—It is in Tunbridge Wells. We look at the medical certificate to see if it is in order, and we see that the person is in benefit by the contributions. That is mechanical.

9621. Dealing with the certificate is not quite so mechanical, is it? I should have imagined that there might have been circumstances on the face of the certificate, which would put an experienced man like yourself on enquiry. You would begin to wonder, if there was no particular disease mentioned. Does that happen? What happens if you get a whole stream of certificates with "debility" on them?—Debility certificates we query as a rule.

9622. Your clerks or you?—I, or the next man to me, who handles the case.

9623. What would he do when he queries it?—If there is time before the Wednesday—if they come in on Monday morning—the secretary who sends them in is asked to give any observations on the case.

9624. You would write back, and ask what it means?—Yes. We have very few certificates with the simple word "debility" on.

9625. What about anaemia?—That is a thing that we do get a lot of.

9626. Do you get headache?—We have had that on one occasion.

9627. What did you do?—We wrote to the doctor direct.

9628. What answer did you get?—We got a very civil answer that it was a symptom of another complaint

which would not lay the man up, but the headache did.

9629. Did he tell you the name of the other complaint?—Yes.

9630. And you came to the conclusion, on your own judgment, that he was right?—Yes, we paid the claim.

9631. I suppose that some certificates might suggest that an illness had been brought on by the man's misconduct?—Yes.

9632. What kind of certificate would suggest that?—Surely the name of the complaint.

9633. What would you do in those cases?—In the case or two that we have had to disallow, we have taken separate evidence from the very first. We have written straight to the doctor, and have found no difficulty in getting a civil answer back.

9634. I should have thought that there were some cases in which the name of the disease might not have been immediately conclusive as to misconduct, but might have suggested it. There are diseases due, are there not, to intoxication which do not always come out as intoxication?—That has not suggested itself to us sufficiently to query.

9635. What about incapacity in cases which might possibly be due to accident, and might give rise to a claim for compensation?—We are very careful about that.

9636. Are they queried in the country?—They are queried from us. We have a small form which is immediately sent back to the person, or the agent, to get full information.

9637. Directly you see anything about accident?—Or even if it does not say accident, but mentions any injury which we think might have arisen in the course of a man's employment, he, or the secretary, is asked to find out the details before we pay.

9638. How does the district secretary prosecute inquiries? Does he go himself?—I imagine so, or he sends the sick visitor. We do not know in every case who does the real examination.

9639. Will you kindly tell me about the sick visiting system, how is that done?—By the sick visitors who are connected with the parent section. They are appointed by the agent.

9640. Is there any regular rule of the society requiring a visit in any particular period of illness. Is it necessary that every member should be visited once a week?—Yes.

9641. Is that carried out?—Yes. If they are paid benefit they are attended by the sick visitor—all those who are within a three-mile radius of a sick visitor.

9642. In every agency would there be one sick visitor?—Every agency has two males and one female, however small the agency may be, though they are not all employed.

9643. The county of Norfolk, I suppose, is covered by your Norwich agency? It is a big county to cover. How do you manage to get everyone visited?—They do not visit outside the three-mile radius. All members outside that are dealt with directly from the head office.

9644. How do you investigate the case of a man living a long way from Norwich?—A sick report has to come in every week.

9645. From whom?—From the man himself.

9646. It is not checked by any person?—It has to be signed by the doctor every week.

9647. No one goes to see what he is doing in the house?—No.

9648. Sick visitors, I suppose, direct their attention to two things, to see if a man is really ill, so far as he can judge, and secondly, to see that he is keeping the rules, not doing any work, and not stopping out after hours?—Yes.

9649. Suppose they find him doing work, or stopping out after hours?—They immediately report him to us.

9650. Direct?—Yes, or through the secretaries. The sick visitor reports to the secretary, and it comes to us in writing.

9651. What is done?—The details of the whole case are asked for from the agency's secretary.

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9652. In writing?—Yes, and if we find that the sick visitor's complaint is made good, we fine the member.

9653. In Tunbridge Wells?—Yes.

9654. You do not see him personally?—In some cases the chief secretary would visit a man when it has been a case where we are not satisfied with the evidence of the agency secretary. We do not always take his word.

9655. The tribunal which fines him, or exonerates him, sits at Tunbridge Wells?—Yes.

9656-7. You have not found it necessary to get more in touch locally with the people?—We prefer to deal with them by personal contact.

9658. Have you found it necessary in any case, to take advantage of a second medical opinion for the purpose of testing the original certificate given?—We have not done so yet. Our committee of management is at present dealing with the question of referees, and I think we shall adopt some system of the kind very shortly.

9659. You have come to the conclusion that it would be a good thing to have a second opinion?—Yes.

9660. What has brought you to that opinion? What instances have come to your knowledge?—There have been cases where we have gone to a doctor—either interviewed him or written to him—because we thought that there were certain suspicious circumstances—the length of time a person was on the funds or something of that kind—and on more than one occasion the doctor has told us that he should very much prefer to have the case put before a referee. Only a few days ago a doctor told me, when I went to see him about a case, that he could not actually say that the patient was fit to resume work, but on the other hand it was such a questionable case that, had there been a referee, he would have been very pleased to have the case settled in that way. That is not the only case of that character.

9661. Do you think that the doctor was genuinely puzzled and wanted to have someone to help him to come to an opinion, or was he feeling himself a little embarrassed between his duty to the society and his desire to go on attending the man?—I do not quite know what his ideas were, but he is a doctor who has been for some years attached to the parent section, and is very loyal to the society, and at the same time fair to his patients.

9662. Supposing a certificate comes forward in the case of a woman which says "pregnancy" and nothing else, do you pay on that?—We have paid on that.

9663. Are you now paying on it?—Yes.

9664. Why are you paying on it?—In the cases where we have been able to get the evidence, we have been told that the condition is such that the woman is actually lying up, or not doing work.

9665. You have come to the conclusion that the doctors do not certify pregnancy unless they mean that she is incapacitated?—Yes.

9666. Suppose you came to the conclusion that she was pregnant, but not incapacitated in any real sense of the word, would you adopt a different method?—We should stop payment without a doubt.

9667. Can you give me any figures as to the number of claims you have had in respect of pregnant women before confinement?—I could not give you the exact figures, but they are very few. I should think that I should be well within the limit if I said that it was under 20 during the whole time.

9668. That is due to a great extent to the fact that you have a large preponderance of single women?—That is so.

9669. What do you think your 8,000 women are employed in?—The majority of them are domestic servants, but some females, though not many, have said that they are employed in the agricultural industry.

9670. Mostly domestic servants, and clerks, and shop assistants?—Yes.

9671. Supposing a general system of medical referees were set up all over the country, appointed not by the societies themselves, but by some outside body, would you welcome that, or not?—I could

hardly answer for my committee. It is one of the things I have not exactly thought out.

9672. About compensation claims, I take it that you examine the certificates with a view to seeing whether a compensation claim is likely to arise. When you have satisfied yourself that there is some *prima facie* ground for thinking that a claim for compensation at common law would lie, what action do you take?—We send a form to the person claiming, and on that they have to make a declaration as to whether they are receiving compensation, and the amount of compensation, or whether they have claimed compensation. If they have claimed, but the judgment of the claim is being held up, we have in some cases advanced sickness pay under the ordinary regulations, and been refunded when compensation is paid.

9673. Do you take any special form of receipt in that case for the money that you pay over?—Yes, there is a clause on the ordinary sick report which covers that.

9674. You do not expressly say "I am paying you 10s., but you must understand that it is by way of advance"?—No, but they must see it on the sick report, if they read it. It is in heavy type on the page where the payments are entered.

9675. Supposing in your view there is some ground for thinking that there is a right to claim, but the patient is not prosecuting it, what do you do then?—We hold up the payment, and tell them if they ask, why they are not being paid.

9676. Have you found that effectual? Does it make them make a claim, or do they drop the whole thing?—I do not know what they do in the end.

9677. You have not yourself taken proceedings on their behalf?—No, we have not, although our committee would have been prepared to do so had the people asked us to.

9678. You have not instigated them to do so?—No, we have not.

9679. (Mr. Warren.) I take it that your society, the Tunbridge Wells and South-Eastern Counties Equitable formed an approved society under the Act. They did not become an approved society?—That is so, we formed a separate section.

9680. You, of your own knowledge, are unable to give us much information in respect of the parent society?—Not the detailed work of it.

9681. You are unable to tell us whether you have had any material increase of claims on your independent side?—The chief secretary, who handles the parent section principally, told me this morning that there was no appreciable difference.

9682. You have certain agency branches of your parent society?—Yes.

9683. They are not known as lodges in the strict friendly society sense?—No.

9684-5. Meetings of members are not held?—Yes, they are.

9686. Do they appoint delegates to an annual meeting?—The meeting is not annual. We have a rule that it is called when necessary.

9687. How do you set up your committee of management?—It is appointed by the grand lodge which is in Tunbridge Wells.

9688. Who sends the representatives to the grand lodge?—The grand lodge consists of the members within the radius of Tunbridge Wells.

9689. Supposing a member lives in Norwich, has he any opportunity of getting on the committee of management?—Yes, if his lodge chooses to nominate him, and he is chosen at the December quarterly meeting of the grand lodges. That is the annual meeting of the parent section.

9690. And there you elect your committee of management?—Yes.

9691. So that you can claim that your members have control of your society?—Any member, whatever agency he is in, has a right to attend the grand lodge, and vote and become a committee man if he is elected.

9692. So far as your State insurance is concerned, it is dealt with centrally, is it not?—Yes.

9693. From Tunbridge Wells?—Yes. I am not quite sure what you are alluding to, but our committee

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of management of the State section is not drawn from Tunbridge Wells only.

9694. Is not the committee of management for the State section the same as for the parent?—No, not at all. It is quite a separate committee of management for the State section.

9695. The point I was trying to get at is this. The Act provides that every society shall be subject to the control of its members, and you claim that your members have control?—Absolutely. We hold an annual meeting appointed by the rules on Whit Monday.

9696. You had some previous experience of medical benefit in the parent society?—Yes.

9697. Sometimes you paid 4s., 5s., or 6s., and sometimes you had a pooling arrangement. It was very satisfactory, was it not?—Yes.

9698. Would you from your past experience say that if you could go back to some such arrangement again in respect of medical benefit, it would be satisfactory—that instead of the present system, the societies should be able to appoint doctors for their branches?—It would be satisfactory, if we could bring in the principle of compulsion for the members to take up one of the lines offered. The only thing against that arrangement in the parent section was that it was possible for someone to be outside medical benefit altogether, which was not altogether satisfactory.

9699. But you would only pay benefit upon a medical certificate, would you not?—That is all.

9700. Your point is that he would be taking it from some doctor other than the doctor of one of the branches?—No, my point is that if a man in the parent section was not covered for medical benefit, there would be a tendency for him, not having paid for medical benefit, and having to pay for it on a separate bill, to hold up till he is pretty bad, and it has a tendency, I believe, to increase the claims for sickness benefit.

9701. I take it that all your sick members are visited weekly?—If they are in receipt of benefit, and are within the radius of the sick visitors.

9702. And you therefore contend that your system is satisfactory, in so far that you have supervision over your sickness claims?—I believe so.

9703. In the event of a member, say again in Norwich, being dissatisfied with the way he was dealt with by the society, what means has he of redress? Can he appeal to the branch in Norwich?—He could appeal there, or he could lodge a complaint which would have to be handled by the committee of management of the State section.

9704. And does the committee of management act as a court of appeal?—We have never had an appeal along the lines laid down in the Act yet.

9705. But they would do so?—Yes.

9706. And if dissatisfied with their finding, there is, of course, an appeal to the Commissioners?—Yes, that is so.

9707-8. (Mr. Mosses.) Is yours a friendly society?—Yes.

9709. Having branches, at which members go and pay their contribution?—Yes.

9710. How did you get members for your approved section?—We used the organisation which was already set up by the parent section.

9711. Did you give any procuration fee to your different agents?—Yes.

9712-3. Did you require a medical certificate for new entrants?—No, it was not definitely laid down, but we have had medical certificates where the answers to questions have been unsatisfactory, and with regard to the last question on the form with regard to tuberculosis, we had a scale of height and weight which was given us by the resident medical officer at Benenden Sanatorium, and where the tuberculosis question was not answered satisfactorily, we inquired in each case of the persons whether they came up to this scale of height, weight and age instead of sending them to a doctor. We were told we could pretty safely take that, and our liability would be quite averaged in that way.

9714-5. With regard to question 9 on the form of application for membership with regard to sober habits

and being free from constitutional disease, had that to be attested by anyone or did you take the applicant's own declaration?—We took their own declaration without any attestation from anyone else.

9716. The majority of your women are in domestic service?—Yes.

9717. I think that you will agree with me that domestic servants are not so liable to come upon the sickness fund as ordinary workers, say in the potteries or in the cotton trade, or the textile trades generally?—I should imagine not. My only experience has been in this kind of society, so I have no means of comparing except from what I have heard of these societies.

9718. You do not very often hear of domestic servants suffering from ailments which would be sufficient to throw them out of employment, if they were employed in some industrial calling?—No, I think not.

9719. They are usually allowed to get better in service?—If it is not bad enough to send them away, they are.

9720. In that case you will be relieved from a great number of minor claims which other societies, which admit females, are subject to?—Very probably.

9721. And to that you attribute your comparative immunity from excessive sickness?—I should say that that is one of the factors.

9722. Have you any means of knowing when your members are unemployed?—Only by the absence of stamps when the cards come in, that is all.

9723. You will not be able to tell us whether sickness benefit is more prevalent during periods of unemployment that when they are fully employed?—No, I could not tell you that.

9724. And the class of members that you have are not subject to such violent fluctuations in trade as are the ordinary industrial population?—No, probably they are not. Of course, with regard to the question of unemployment and sickness being contemporary, we could easily get that evidence through our secretaries, but we have not done so up to now.

9725-6. With regard to your annual meeting on Whit Monday, have you had that annual meeting?—We have had one.

9727. Can you give us an idea out of the 30,000 members, how many were present?—There were about 108 in the room.

9728. Did that annual meeting select officers?—Yes. As a matter of fact there was a committee chosen earlier to carry on a scheme—a committee chosen by the approved committee, which inaugurated the scheme, and which was chosen from the parent section members principally. There were three vacancies occurring only before Whit Monday, and the men who were left in the committee were re-elected, and the three new ones were elected at that Whit Monday gathering.

9729. How do you call your meetings?—By advertisement in the public press.

9730. You do not summon each member?—No.

9731. Are there women representatives upon your management committee?—No, there are not yet.

9732. Have you any provisions for the election of women to that body?—It does not mention women in the rules, but it says insured members, and I take it that it would be possible for women to gain entrance under that definition.

9733. Have any women shown any desire to identify themselves with the management?—No, beyond those who are quite willing to serve as sick visitors.

9734. You say in your outline of evidence, "We, however, do our utmost to obtain medical declarations—" off as quickly as possible." That is, you try to get your members off the fund as quickly as possible. What means do you take in order to get them off?—The only means that we take are in the agencies where our secretaries are in touch with them, to see that the men do not malingering. So far as they can in local circumstances, our agents have all been circularised to keep their eye on suspected malingering.

9735. Do you approach the doctors, apart from your local agents?—Not apart from them. Where we have approached the doctors in a district, where there

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is an agency, it has always been with the knowledge of the agents. We have not acted behind their back.

9736. Have you ever thought of appointing medical referees?—Yes.

9737. Have you appointed them?—No, but the question has been before the committee of management.

9738. With what result?—They are very favourably inclined towards it, but my presence here has held the question up, and it is postponed.

9739. Is your idea to have them appointed by the local insurance committee, or by the Commissioners?—As we have been circularised by the Kent Insurance Committee, that there was a possibility of their appointment, or that they had it in mind or under discussion, we have thought that the appointments would come from the county committees.

9740. In general, have your associations with the medical faculty been of a harmonious and happy character?—Generally speaking, yes.

9741. And they have given you every assistance?—Yes.

9742. And you have nothing to grumble at?—No.

9743. Do you find them unduly complainant in giving certificates?—No, we have not found them so. We have found them quite ready as a rule, but I do not know that they have ever actually forced people on to the funds.

9744. You have had no complaint from insured persons as to medical certificates being withheld?—No, not exactly in that way. One thing that has given rise to a good many complaints is where a member moves whilst ill, and they cannot get on the list of a doctor on the panel, and they sometimes have had to pay for a week or ten days' treatment by a doctor. They are the cases which have given rise to most complaints about medical attendance.

9745. (Mr. Burn.) You have told us that you have a membership of 25,000 on your private side. Has that membership greatly increased during recent years?—Yes, last year we made a record gain—a net gain of over 4,000 members in the year.

9746. How do you account for that?—The way we have accounted for it is by the number of meetings which were held with regard to the inauguration of the State scheme, which we invariably used as an advertisement for our parent section in some way or other.

9747. Of these 25,000 you have told us that 20,000 are on the State side, and you have 10,000 more on the State side, making 30,000?—Yes.

9748. Of those who are on the State side 22,000 approximately are men, and 8,000 women. I should like to know whether the same proportion held good in your society previous to the National Insurance Act?—I should imagine it was about the same proportion.

9749. Assuming that you had an increase of 4,000, you had about 21,000 on your private side before the National Insurance Act?—Yes.

9750. Were there about 15,000 men and 5,000 women?—I could not tell without the book.

9751. (Chairman.) The rule seems to suggest that it could not be so. There were no married women whatever in the society before the Act, and on becoming married they were turned out of the society?—Yes.

9752. And widows were not allowed in?—No.

9753. (Mr. Burn.) That would certainly seem as if there were very few?—I would not commit myself.

9754. In the private society before the National Insurance Act, you had for many years to administer sickness benefit as well as medical benefit, and the society had always been very successful, had it not?—Yes.

9755. You had had actuarial investigations of expenditure, in which it was constantly pointed out that your sickness benefit was exceptionally favourable?—We did not have it pointed out by actuaries, because we get a dispensation. We happen to be a Holloway Society.

9756. But it was a well-known fact that your sickness rate was light?—Yes.

9757. And that had been a constant matter of remark, and no doubt reasons had been given for it?—Yes.

9758. What were some of the reasons which they gave you? You say amongst your London people there was a large number of clerks?—In one case the nucleus of the city agency, which is held in East heap, was composed entirely of some two dozen or thirty clerks out of the Royal Exchange Assurance Company.

9759. You afterwards had a much larger number.—two dozen would not be anything?—Quite so, that was the nucleus of the agency; of course there were others as well.

9760. And with regard to the female members, were a considerable number of these lady clerks?—Not a very large number. I have not the analysis of the membership register of occupations, but not a very large number were clerks.

9761. In your old society, it was always a matter of congratulation that you had a very low sickness rate, and you were always anxious to maintain that reputation and you have done so, so that no doubt under the National Insurance Act you have taken very great care, I suppose, and kept a record of the length of sickness, and taken prompt means of stopping any longer sickness than you had under your old society. Would that be so?—We invariably look out when a member comes on the funds, who is a member of both sections, and we expect the certificates to be of similar dates. I do not know of a case where they have been different, but we should immediately query it if we saw it. The two claims are both handled under the same roof, but in separate sets of offices.

9762. Do you, or do you not, think that it is owing to your promptness in detecting any cases of longer sickness than you ordinarily had, that you have been able to keep your sickness down to such a satisfactory rate?—I do not think that we have taken any new or exceptional methods since the inauguration of the State scheme.

9763. But it was so satisfactory before that—my suggestion is that you were in the habit of keeping your sickness down to a low rate, and I thought that you must have taken some very prompt steps to effect that result, which you were still taking now?—We are dealing with the State claims along exactly the same lines as we did the parent section, except of course in compensation cases, which were paid for by the parent section, that is, very careful examination of certificates, and keeping our sick visitors and agents and secretaries well up to the scratch, for seeing that the sick report certificates are signed every week, and that kind of thing. We immediately call their attention to any oversight in not seeing that the doctor's name is signed on the sick report.

9764. Have you amongst your members any considerable number who habitually do not claim—honorary members as it were, people who would not claim in any case?—I could not say. I should think not, because all our people are wage earners, and probably joined the society with a view to having benefit if they were entitled to it.

9765. You have a large number of London clerks?—A good number.

9766. Will you tell us what kind of clerks they are?—I do not know what they would be in the State section, or generally speaking in the other, but incidentally I know people who are in solicitors' offices. That is, of course, in the City of London agency, and the nucleus of that agency was composed of clerks in the Royal Exchange Assurance Company. I do not know personally the whole of the members in London, but I know that a good many of them are clerks.

9767. (Dr. Pearse.) Do you consider that you have many low wage earners in your approved section?—The agriculturists would be.

9768. Apart from agricultural labourers?—No, I should think not.

9769. Would you consider that they are the better class of insured persons?—Yes, I should think so.

9770. Under your old system of giving medical benefit—take Tunbridge Wells, for instance—you would have only one doctor in Tunbridge Wells?—No, we had seven, six allopathists and one homœopathist.

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[Continued.]

9771. Take any other case in which there were three doctors, would your members be bound down to one doctor for that place?—They would have to attach themselves to one doctor, but they would have the choice of going over to another at the end of the quarter.

9772. In some cases there would be only one doctor attached to the society?—In some small villages where there was only one resident.

9773. But where there was more than one doctor in practice, your former members had in effect a panel to choose from?—Yes.

9774. (*Mr. Watson.*) You told us just now that the private society is a Holloway society?—Yes.

9775. The meaning of that is that the funds remaining at the end of each year, after the claims have been met, are divided amongst the members and placed to their private accounts?—They are apportioned.

9776. And the contributions are increasing each year in accordance with the increased risk?—Yes, after the age of 30.

9777. So that the lower the claims of the year, the bigger the dividend?—Yes.

9778. And that is perhaps the real reason why the claims on the private side have always been very low?—You mean that from the members' own action they keep off? That may have some effect. As far as the paying of claims is concerned, we have not had that in view at the head office.

9779. In connection with the probable reasons for your extremely favourable experience, it should be borne in mind that the members understand, do they not, that the society is a combination of bank and insurance?—I quite agree.

9780. Of the 25,000 members, 20,000 are in the health section, and most of them are men?—By far the greater proportion.

9781. So that it is among the men that this very favourable experience is found chiefly, is it not?—Yes.

9782. And probably a great part of the reason lies in this peculiar constitution of the parent society?—Yes, that is the reason we give for it ourselves.

9783. Because a member who claims on the State side, claims at the same time on the private side?—Yes, where they are members of both sections.

9784. So it is quite conceivable that the same influence is operating to keep him off claiming altogether?—That may be so.

9785. Referring to the figures you gave us, you said that in the first quarter the benefit you paid amounted to 1,509*l.* That fell to 1,300*l.* in the second quarter, and just under 1,100*l.* in the third. The claims for men, therefore, were steadily diminishing?—Yes.

9786. You say the rate was 1*l.* 4*s.* 6*d.* in the first quarter, so that the average for the whole period would be about 1*l.* 4*s.* for men?—Yes.

9787. Then when we came to women you said that the rate was 1*l.* 6*s.* 6*d.* in the first quarter when the claims were 440*l.* and in the second quarter they sprang up to 634*l.*, so that whilst the men's claims were diminishing quarter by quarter, the women's increased?—That is so.

9788. And the three quarters averaged for women appears to be just under 2*s.* a week?—Yes.

9789. So that while the claims for men paid at the rate of 10*s.* a week are only equal to 1*l.* 4*s.* a week, the claims for women paid at 7*s.* 6*d.* a week run away with 2*s.* a week?—That is so.

9790. So that as a matter of fact, it is not a favourable experience in respect of women?—It is about the estimate I think. I think 1*l.* 7*s.* 6*d.* was the estimate.

9791. You do not want to rely too much on that, because you have a specially low average age?—Yes.

9792. But it is a fact that the claims for women, making all allowance for the different benefit, are very much greater than those for men?—That is so.

9793. Women are not to any large extent insured on the private side?—Not in the same proportion as the men would be.

9794. So that if there is anything in the theory that it is the banking part of the private side that is

keeping the claims down, that would only apply to men and not to women?—That is so.

9795. (*Miss Wilson.*) Have you any estimate of the length of the claims of your women? Are a good many of them short claims or long claims?—I think that the tendency is on the average that the women's claims are longer than the men's. I should say we paid, in proportion to the number of women, more full length claims.

9796. You have had a good many fairly serious illnesses, have you not?—Yes.

9797. Have you had many operations?—I could not tell you the proportion. A good many, but whether the proportion is larger than in the case of men, I could not say without analysis.

9798. Do you know whether a good many of them have been cases of nervous breakdown lasting for some considerable period?—I should say that we have not had a large number of these.

9799. Do you think that all your members, particularly the domestic servants, claim when they are only expecting to be ill for a few days?—I should hardly think that they do, because we have very few women's claims where the payment is only for three or four days, on the funds and off again. Of course we get some but not many.

9800. You think it possible that you are not getting your full share of short claims?—It may be so among domestic servants. We have no means of getting at the facts.

9801. But it does seem possible that, compared with some other callings amongst women, factory workers for instance?—Yes.

9802. (*Chairman.*) As I understand it, the premium on the private side is calculated year by year?—Yes.

9803. A man is not acquiring an interest year by year if the premiums go up against him? If he cuts off his connection with the society in any given year, he has had his money's worth, and is not throwing away any reserve value?—All that stands to his credit is paid over to him as surrender value.

9804. It is paid over to him?—With a small reservation. The last two years' apportionment is held in the hands of the society.

9805. The last two years' of the surplus?—Yes.

9806. Have you any reason to suppose that when a clerk falls sick, he does not claim?—I have no reason to suppose that he does not.

9807. It would be difficult to estimate the frame of mind of a man who, having insured himself, did not claim when the eventuality happened for which he insured?—That is so.

9808. You told Miss Wilson that you could not get at the facts, but have you any idea what the domestic servant does? I suppose that you had unmarried domestic servants insured in the parent society?—Yes.

9809. Did they not claim?—Yes.

9810. Did they claim for quite short periods?—No; I believe, so far as I know, that our experience with regard to very short claims in the State section applied also to the parent section.

9811. That is to say, they did not claim?—I should say that they did not claim. I know that it has been noticed by the clerks on the State side, and the chief secretary has also told me that the claims of women members are not usually of particularly short duration.

9812. You do not get a claim from a domestic servant unless she breaks down in health, and has to go home?—That appears to be so.

9813. And perhaps that was the eventuality they were insuring against in the parent society?—I should say so.

9814. Do you not think that now that they have been compulsorily insured, they may perhaps take a different point of view? What would you do if a domestic servant was lying ill in her master's house? Would you pay?—The domestic servant is not always the governor of her own conduct.

9815. Supposing that I did not turn my domestic servant out, you would not refuse payment for that reason?—No, we honour every claim that is clean.

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[Continued.]

9816-7. If she claimed, that is no technical point against her?—Not at all.

9818. Do you not think that you will find your experience going against you in the future when women begin to realise that? It seems to me that there may be some risk of a false sense of security. The old domestic servant, her own money being at stake, may have thought quite rightly that she would wait until she broke down?—We are not resting complacently upon our past experience.

9819. I am not making any suggestion that you are not doing everything that is quite right, but I wondered how far that had struck you?—I am afraid that I do not quite gather what you mean. Do I understand you to think that, as the whole scheme is more understood, the domestic servant will go on for short times?

9820. I should have thought that that might be the case?—I do not know of any reason why it should be so. I do not believe, with regard to the claims for short periods, that it is the action of the insured person at all in domestic service. I believe the employers are responsible for the fact that the girl does not go on for a short time.

9821. Why do you think that the employer stops her?—I only know of one actual instance of this kind. The servant was very ill and laid up, and although she was not under section 47, her employer kept her until

she was able to be moved. He refused, or rather he set his back against her going on to the insurance fund.

9822. Do you know why?—He distinctly said why he did it. The case was likely to be a long one, and he looked after her whilst she was at his house, but when she was able to be moved, he sent her home. He had refused to let her go on to the State insurance fund in order that the longer period should occur when she was at home.

9823. Is it your opinion that he was right in that view of the law?—I am not judging him at all.

9824. I am not judging his moral conduct. That appears to have been a liable; but do you think that an insured person has the right to start the 26 weeks' benefit at any period of the illness she thinks fit?—I am not suggesting that he refused to let her go on.

9825. Supposing that you found someone claimed in the tenth week of sickness, would you pay 26 weeks from that time or would you say, "No, you have had ten weeks of sickness, and the sickness benefit is for 26 weeks from the third day of incapacity"?—We should prove our claim from the date of declaring on, so far as I know.

9826. Very likely, but would you pay 26 weeks from the time of declaring-on? Perhaps you have not had such a case?—I believe we have not had such a case, but, speaking without authority, I should imagine we should do so.

The witness withdrew.

THIRTEENTH DAY.

Wednesday, 26th November 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT:

SIR CLAUD SCHUSTER (*Chairman*).

Mr. J. BURN.
Miss M. H. FRANCES IVENS.
Miss MARY MACARTHUR.
Mr. WILLIAM MOSSES.
Dr. LAURISTON SEAW.

Mr. A. H. WARREN.
Mr. A. W. WATSON.
Dr. J. SMITH WHITAKER.
Miss MONA WILSON.
Mr. WALTER P. WRIGHT.

Mr. ALEXANDER GRAY (*Secretary*).

Mr. A. LAMACRAFT (*Manager of the National Health section of the Royal Liver Friendly Society*) examined.

9827. (*Chairman*.) Are you manager of the National Health section of the Royal Liver Friendly Society?—Yes.

9828. Is that a separate section of the Royal Liver Friendly Society?—Yes.

9829. Is the Royal Liver Friendly Society a friendly society registered under the Friendly Societies Act?—Yes.

9830. Has it been established for many years?—Yes.

9831. How many members have you got on the State side?—Approximately 320,000.

9832. How many of these are men, and how many are women?—I have the figures based on a total of 312,000, which was the number at the end of the first six months; there are 193,000 men and 119,000 women.

9833. Does the parent society do any health insurance business?—It does no sickness benefit business whatever.

9834. Can you tell me how many of the 119,000 women are married, and how many are single?—I could not say yet.

9835. Whereabouts are your members principally found?—All over the country—England, Scotland, Ireland, and Wales.

9836. Of the 320,000, how many, approximately, are in England?—Approximately, 155,000 men and 95,000 women.

9837. Is there any part of England in which you are specially strong?—In Lancashire and Yorkshire, chiefly Lancashire.

9838. Particularly in Liverpool, I suppose?—Yes. We have 60,000 members in Liverpool.

9839. Are they drawn from any particular class of the labouring population?—They are drawn practically entirely from the working classes, but not from any particular class of trade or manufacture. It is a general membership.

9840. May we take it that your 300,000 men and women are a fair sample of the insured population?—I should think that they are a very true average.

9841. Do you think that claims which are not justifiable are being made in respect of sickness benefit?—We have got every reason to suppose that they are being made. For the purpose of this evidence I have dissected one week's complete claims, viz., the week from the 5th to the 12th of November. A certain proportion of the society's claims are sent to the chief office to be computed. The balance are computed in the districts, where there is a large district with responsible men. They compute claims for themselves.

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[Continued.]

But in the smaller districts they send them to the chief office to be computed. For this particular week 900 claims were submitted to the chief office for that purpose. Of this number, 300 were referred back either for further particulars, or on account of the trivial nature of the complaints, as we contend, stated in the certificates of incapacity, such as cold, neuralgia, and sore throats. There were 30 out of these 300 cases, which were definitely rejected. Probably, if the claims could be more strictly investigated, if we had sufficient time to investigate every individual claim, there are a good many others which would not be admitted. The correctness of that opinion is borne out by the evidence in reference to the 701 cases sent to the medical referee of which mention is made in my outline of evidence.

9842. Do you say that, from the middle of September to the middle of October, you sent some 701 cases to your medical referee?—Yes, from Liverpool.

9843. Did he declare that 280 of them were fit to go to work, that 268 should be allowed one week, that 53 should be allowed two weeks, and that 100 should be allowed to continue?—Yes. That means that these 100 cases would, in his opinion, apparently remain on the funds for a longer period than two weeks.

9844. What is meant by the expression that there were 41 cases for expulsion?—These are cases in which it appeared that the member had obtained admission either by withholding information, or by making a fraudulent statement. It is estimated that of the 701 cases, not more than 150 would have, in the ordinary course, declared off in the week following. That is based on the duration for which each member remains on the funds. In the various districts outside Liverpool there are 2,003 cases altogether that have been examined.

9845. From the start up till now?—It is really only quite a recent arrangement. It was working first in Liverpool for a period, to see whether it would be successful or not.

9846-7. In what period were these 2,003 cases examined?—It has been going on in a casual manner from the start, but recently it is heavier than ever it was. Out of these 2,003 cases possibly one third have been examined in the last month or six weeks, because now we find the advantage of this action. Of these 2,003 cases sent to a medical referee outside Liverpool, 632 were declared fit, 190 were allowed one week, 194 were allowed two weeks, 671 were allowed to continue, 70 declared off without seeing the doctor when they received notice to attend, and 246 failed to attend. That makes up the 2,003. If those who fail to attend can give us any evidence that there is a reasonable cause why they should not attend, they are not declared off the funds.

9848. Of the 246 who failed to attend, how many were struck off in consequence of the fact that they failed to attend?—I could not tell the exact number, but I could furnish it.

9849. Can you go a step further and say with regard to the 701 cases examined in Liverpool how many were men and how many were women?—Approximately half and half.

9850. And of the 2,003 examined outside Liverpool?—Approximately there would be three women to two men, although the membership is the reverse, about three men to two women. Of these 2,003 cases it is estimated that in the ordinary course only 400 would have declared off in the week following. That is based on the information regarding duration of disease which we have. If you take the last 40 cases that were examined by the referee in Liverpool, on the 19th of November, 19 were declared fit, 14 were allowed one week, 1 was allowed two weeks, 4 were allowed to remain on the fund, and 2 did not attend.

9851. Can you say what has been your actual expenditure per member for sickness benefit?—I can give you the figures for the first six months. In the case of England alone, in the first quarter, the expenditure for men was 16,410*l.*; in the second quarter it was 17,992*l.*, and in the third quarter, when the system of examination by doctors came more into operation, it was 15,651*l.* The expenditure for women was, in the first quarter, 9,796*l.*, in the second quarter

it was 14,547*l.*, and in the third quarter it was 12,932*l.*

9852. Can you tell me what that has cost you per member per week, in pence?—No. I have what we expected to pay during the periods. It is based on the actuarial estimate according to the tables that have been prepared.

9853. Will you give me your figures?—I will first give our expectations for men for the first, second, and third quarters, but I should say that the expectations we have are for the four countries, and not for England alone. For the first quarter we paid out for the men for the four countries 25,000*l.*; our expectation was 28,000*l.* For the second quarter we paid out 28,200*l.*, against an expectation of 28,600*l.* For the third quarter we paid out 24,500*l.* against an expectation of 29,600*l.* That shows a surplus in each of the three quarters. With the women it is different. In the first quarter the amount paid out was 14,000*l.*, and the expectation was 11,400*l.* In the second quarter the amount paid was 20,800*l.*, against an expectation of 11,400*l.*, and in the third quarter the amount paid was 18,000*l.*, against an expectation of 10,000*l.*

9854. Has there been a rise in your membership throughout the period?—We base it on a membership of 305,000 in the first quarter, and 312,000 in the third quarter. The figures I am giving for the last quarter deal with a period of 12½ weeks.

9855. What do you mean by the actuarial expectation? On what do you base it?—On the Commissioners' tables of expectations, and, of course, allowing for periods when sickness benefit would not be payable, and taking our society at an average age proportionate with the entire country. It is the figure given by the Commissioners, but naturally the figure given by the Commissioners is the expectation on the assumption that ours is an average membership. If ours is an average membership, as I anticipate it is, the figures that are given are actuarial. The position is that the Commission informed us that our expectations are, for the first half of the year 4*s.* 7*d.* per member for sickness benefit, and 1*s.* 4½*d.* per member for maternity benefit for men—3*s.* 8½*d.* sickness benefit, 1½*d.* maternity benefit for women—for the first six months, and we base it on that, assuming that our membership is an average one.

9856. What do you say about the understanding, or otherwise, of the principle of insurance on the part of the insured people?—There appears to be a tendency among certain classes, particularly low paid labour, to regard the sickness benefit as a branch of unemployment benefit. I do not think that the excessive claims are entirely due to the unwarranted certificates or anything else. I think that to an extent the public have an idea that the benefit is payable when they have nothing to do. I think it is as much ignorance as anything else. With a membership of 60,000 in Liverpool, and being on the spot where the whole of the claims are dealt with, I have an opportunity of getting into touch with the persons themselves. We have frequently persons coming down who thought that it was as much for their benefit when they were out of work as when they were ill, and they meant that quite innocently.

9857. Do you think that that still continues?—Not, I think, to any great extent, except that we have had pointed instances of it.

9858. Is it increasing or diminishing?—It is diminishing.

9859. Have you no sickness benefit on your private side?—No.

9860. On the question of over-insurance, have you any knowledge whether your members generally are, or have been, insured elsewhere for sickness benefit?—I could not say definitely either way without getting the opinion of a great many people. I should not think so, but I have no evidence either one way or the other.

9861. Do your agents not tell you?—No. We have about the same proportion that every other industrial office will have.

9862. Could you make any comparison between the amount of wages which they receive when at work, and

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[Continued.]

the amount which they receive as sickness benefit?—The amount of sickness benefit is too high in proportion to the wages earned; that is from the figures of our particular society in the case of women.

9863. What about men?—We have nothing to complain of as regards men, but as regards women, we have got the actual earnings out. These figures are based on this particular week, when the whole of the week's claims were dissected. During that week the average duration of sickness for men, of the people who declared off, was four weeks and five days, while the average duration for women was six weeks. The average weekly earnings of the men were 25s. 8d. and of the women 10s. 8d.

9864. How did you get that figure?—From the actual cases. We have been through the entire 7,000 claims.

9865. Do the claims show what the earnings of the people are?—Our applications for sickness benefit show the earnings in every case. It is stated in the application for benefits what the wages are.

9866. Do you always get that filled up?—Yes, as otherwise we should return it to be filled up. I will not say that there were not one or two that were not filled up.

9867. Do you think that the figures are filled up truly?—There is no reason why they should not be.

9868. You have got no evidence that they are not?—There is nothing to be gained either by over-stating or by under-stating. We get the name and address of the employer, so that the person knows that we have the opportunity of substantiating the statement made, if we want to do so.

9869. The woman receives 7s. 6d. sickness benefit in lieu of 10s. 8d. ordinary wages?—Yes.

9870. What are those particular women engaged in doing?—I should think that a large number of them are factory workers.

9871. Not Lancashire factory workers?—Yes.

9872. Not weavers?—No, but they would come in the average.

9873. What are the bulk of them doing?—They are really spread over the entire country; there would be no bulk.

9874. If you have got many weavers in that total, then the wages would be higher?—That is counteracted by the low wages of the cotton people. If we had a dozen weavers, we should probably have a dozen cotton operatives to counteract it.

9875. Did you analyse further that calculation to see whether it was a very wide range?—That is the average of the people who are on; the average of those cases who were not more than a week on benefit for men was 26s., and for women was 11s. 3d. It seems to point to the fact that the larger the earnings, the less the period of sickness benefit. The average earnings of people who have been on for more than eight weeks are 21s. 6d. for men, as against 26s. for those who are on only one week.

9876. What are the figures in the case of women?—10s. 8d. is the figure not only for those who actually declare off during this week, but the average for the women who have been on over eight weeks.

9877. Is there anything more on that point?—There is a point which I have here as to a person who has been on sickness benefit receiving 21. 3s. 7d. Her usual weekly wages are 3s.

9878. She has been on long enough to receive that amount?—Yes.

9879. What is she?—A charwoman.

9880. What was her illness?—Heart disease. She is aged 34.

9881. Do you find it difficult to get them off the fund once they are on?—There is certainly an unwillingness, but it is due in larger measure to the facilities by which members can obtain continuing certificates.

9882. What have you to say about deliberate and conscious fraud?—Undoubtedly there have been a few cases, but it is very difficult to detect them. Cases have been detected of working and drawing benefit at the same time. I sent one particular case to the Commission, in which we had conclusive evidence that

the man had knowingly drawn benefit, and had been at work the whole time, but the Commission will not take action themselves.

9883. Why do you not take action?—This is in the heart of Liverpool.

9884. The heart of Liverpool is not a specially dangerous country?—The position is this, that if one society takes action against a man it would be likely to react very much on that society, and the suggestion was made that the Commission should take action. I quite admit that the amount has been got back. We have recovered the money. We got it from the man by an arrangement with him. We told him that it had been fraudulently obtained and that he would have to return it. The man quite admits that he has got it fraudulently, and he has repaid the money at the rate of 5s. per week.

9885. Why was he not prosecuted?—In the opinion of the society it would react on the society itself to be the only society to take any action.

9886. What is the society? Is it not an association of persons who put their funds together in order to carry on together the business of insurance?—Yes, we knew when we wrote that letter to the Commission that it would be possible to get it back without action.

9887. You knew that?—Undoubtedly. The position was this. There was an opportunity which, if advantage had been taken of it, would have stopped subsequent claims, not only for our society but for other societies.

9888. I cannot imagine why you did not take action. Who is the proper guardian of your funds? Is it the Commission sitting in London, or the committee of your society sitting in Liverpool and knowing the facts?—As far as this particular case is concerned we had the opportunity of recovering the money without taking action.

9889. But you say that it would have had a salutary effect on other persons, who might make fraudulent claims on the society?—Yes, but we considered it was a matter for the Commission to recover a debt due to the Crown.

9890. Due to whom?—Under the Act if a person receives benefit fraudulently, the amount so obtained is recoverable as if it were a debt due to the Crown.

9891. I thought that you were talking about a prosecution for fraud?—For fraudulently obtaining benefit.

9892. That is not recovering a debt?—The amount is recoverable as a debt.

9893. It may be open to you or the Crown or anyone else to recover the money. The man in this case paid you back at the rate of 5s. per week. Quite apart from that, I understood you to say that a criminal prosecution of this man would have had a salutary effect on the minds of other people. I am unable to understand why you did not take action?—It would have had a detrimental effect, not only on the approved society, but on the parent society.

9894. That is the society on the private side?—Yes; of course had we been unable to recover, the society would have taken action, but as it was possible to save the two bodies risking any detrimental effect, by accepting the man's settlement, we did so. At the time the case was sent up it was hoped that the Commission themselves would have moved in the matter and taken action.

9895. In reference to the doctors, what is their general attitude with regard to the Act or the administration of the Act?—In the opinion of the society it is one of indifference, in so far as the financial success of the Act is concerned.

9896. Of course you have never been in touch with the doctors on the private side?—I quite appreciate that. My experience is entirely limited.

9897. Have you made no attempt to get into close touch with them on the State side?—Undoubtedly there are many instances where doctors are helping us, they intimate to us that a case is one which they feel conscientiously should be declared off, but which for private reasons they do not want to declare off. They will notify us of these cases, and that enables us to put them before our own doctor, and our own doctor will declare the case off.

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[Continued.]

9898. Have you made any sort of general attempt to establish close relations with the doctor?—No.

9899. Are you not in a rather favourable position to do it in Liverpool?—In Liverpool there is nothing wrong. It is not in Liverpool that our trouble is. No doubt that is to some extent due to the co-operation of the Liverpool doctors.

9900. Are you in close personal touch with the doctors there?—Quite a number of the doctors in Liverpool are working with the society. The mere fact of the number of examinations taking place there daily, with the full knowledge of the doctors, is a bond between the society and the doctors and the members. Frequently the member's own doctor gets into communication with our own medical officer, and they discuss the case between them. Where there is any doubt at all as to our own medical officer's opinion, we give the member the benefit of the doubt.

9901. Where have you found this disinclination to help?—Principally in the Bolton and Manchester area.

9902. Do you distinguish between Bolton and Manchester?—No. It is in both places.

9903. You made no particular attempt there to get into touch with the doctors?—No, not to approach the doctors at all.

9904. Do you not think that it might do some good if you approached the Manchester Medical Committee?—We are quite willing to do so, or take any other steps that will obviate the difficulty. We want to work with as little unpleasantness as possible. We have just appointed a doctor at Manchester; the appointment was made last week, and he is arranging to meet the medical committee.

9905. Have you appointed him as a sort of adviser himself?—As the society's medical referee for Manchester, and a radius of a number of miles round Manchester.

9906. Are you paying him a salary?—Yes.

9907. What are you paying him?—250*l.* a year.

9908. Is he a gentleman already in practice in Manchester?—No.

9909. You have brought him in there?—Yes. The position is that he is paid a salary of 250*l.* to give his services to the society when required to do so, and we shall utilise him as we find it necessary. We might want him for half an hour one day, and two hours another day, and so on.

9910. What is he going to do for the rest of his time?—In this particular instance he is a retired doctor.*

9911. Can he practice for himself?—We do not debar him.

9912. Have you debarred this gentleman in Manchester from going on the panel?—No.

9913. In what way does the indifference to which you have referred manifest itself? Are you getting the certificates properly filled up?—No. We are getting them filled up, but the contention of the society is that they are incorrectly filled up.

9914. But you are getting them filled up?—Yes.

9915. So that you can understand what is written on them?—In some cases.

9916. Can you read what is written on them?—Undoubtedly, otherwise we would send them all back. We do not admit claims unless we can read the certificate. We do not find a great deal of attention given by the doctors in this direction. During this particular week which you have under review, in which 900 claims were submitted to the chief office, there were 30 cases which were definitely rejected, because from the mere statement on the doctor's certificate we were of opinion that the person was not incapacitated.

9917. Do you get entries like "debility" and "illness"?—Yes, and if we get "debility" we require further particulars, because that is a symptom. We do not admit "illness." Unless it is qualified we send it back.

9918. Do they in the result give something else which will clear it up?—Undoubtedly. They invent some complaint to make the claim.

9919. Do you get "pregnancy"?—Yes, and we send it back. We do not admit simple pregnancy; but when there is a disease accompanying it, we admit it.

9920. I suppose that in the early days you got blanks and things of that kind?—Yes, any number, and, of course, the rubber stamp on the certificate.

9921. What is the complaint about the rubber stamp?—The doctor's signature on the certificate was represented by a rubber stamp.

9922. What difference does it make to you whether it is a rubber stamp or a signature?—It is not a signature unless it is signed. We could get a hundred rubber stamps made the same. He could get a bundle of certificates stamped, and anyone else could issue the certificate.

9923. Where the rubber stamps have been used have you in any way investigated the circumstances to see whether they are what they purport to be?—No, we have sent them back as not being in order.

9924. The doctor may have used the rubber stamp in the way you have described. It may or may not be laxity. If the doctor took the rubber stamp and put it on to a hundred blank certificates, and gave the certificates to somebody else to issue, that is a fraud on the public. Have you tried to find out whether anything of that sort has happened?—No, it would be a very awkward and delicate job. Where a doctor has used a rubber stamp and initialled it, I have accepted that. I cannot say that it was investigated, but the reason it was stopped was that the mere fact of a rubber stamp being in existence afforded an opportunity for it to be used in case of emergency if necessary.

9925. You always send it back?—Yes.

9926. You always get it filled up with the proper signature?—We have not admitted claims until it was done.

9927. That has not resulted in any member going without benefits?—No, except that it meant delay. If a doctor would not do it, the matter would be sent to the insurance committee.

9928. Have you sent any to the insurance committee in those circumstances?—No; if there were any doubt, we should tell the member to go to the insurance committee. Whether he eventually goes, and gets it done through the insurance committee or not, I do not know, but it eventually comes in in order. But the rubber stamp is a thing of the past now.

9929. Have you found any back-dating?—Yes.

9930. What have you done with that?—We pay from the date stated by the member. Papers are here in which a member definitely states that he first saw the doctor on a given day, and the doctor gave him a certificate allowing several days prior to that date.

9931. What did you do with the doctor?—Nothing.

9932. Did you communicate with the doctor?—Undoubtedly we pointed it out, and the excuse was that it was a mistake.

9933. Have you got cases in which it is not stated to be a mistake?—No.

9934. You have not taken it further in any case to the insurance committee?—No, naturally we have to move very warily. We do not want to make ourselves worse friends than we are.

9935. You have experience both of Liverpool and Lancashire generally, and also of Manchester and Salford?—Yes.

9936. You know that there is a different system in Manchester at present from that which exists in the rest of Lancashire?—Yes.

9937. Have you found anything, which you could trace to that difference of system, resulting in a difference in the rate of claims?—I cannot say. We have a high rate of claims in Manchester, but it is not so high in Manchester as it is in Bolton, where the capitation system is operative.

9938. To what do you attribute the fact that the Bolton claims are so high?—To the low-paid labour, principally of the women. I should think, though I will not bind myself to it, that approximately 75 per cent. of the total amount paid in Bolton is paid to women.

* This doctor is in partnership with his father (private practice).—A. L.

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9939. What about Burnley?—I cannot tell you the exact figure. In any case we are not exceptionally heavy there.

9940.—1. Do you pick out Bolton from all Lancashire as being a town where the claims are heavy?—Yes, because of the mere fact of its having been exceptionally bad, it came under my notice. For instance, there is nothing wrong with London. Unless a particular place required investigation it would not come under my notice.

9942. You cannot help us in any way in drawing any inference, favourable or the reverse, with regard to the Manchester system?—No.

9943. Would you describe the way in which your society actually does its business? Does the society employ collectors?—Yes.

9944. Does it employ the same collectors to do the business on the State side as on the private side?—It does for the delivery of cards.

9945. And for the payment of benefit?—No. The instruction we give to the district manager in each of the various towns is this: The manager is told that claims, when admitted, are to be paid at the district office, but in the event of an agent, whom he knows to be a genuine man, upon whom he can rely, desiring to pay the claims to members of his own agency, we have no objection to the agent doing it, but the claim comes through the district office before it is admitted.*

9946. When a man falls sick, what does he actually do?—He sends a notice of illness and a doctor's certificate to the district manager. There are two different systems. In a large district the manager verifies the claim, admits it, pays it and sends it to the chief office, saying that he has done so. If it is in order it goes on, if it is not in order, we write back telling him the reason why he should inquire or delay the matter. The loss is on the manager if he improperly pays a claim. He does it at his own risk if he pays a sick claim. It is for the manager to put it right if there is anything wrong, but he has always got an opportunity of submitting a case to the chief office before payment, when there is any doubt. Under the other system, in a small district, the practice is that the member sends in a notice of illness and a doctor's certificate to the chief office through the local representative, and we advise the district to pay the claim for so many weeks, provided a certificate is obtained each week.

9947. Is Liverpool worked from the head office?—Entirely. Everything in Liverpool is paid at the office.

9948. How many of these larger districts are there with managers over them paying attention to their own districts?—Seventy-five per cent. of the total would be paying their own claims.

9949. How many actual divisions are there?—There are, approximately, 400 managers in England, Scotland, Ireland, and Wales, and there are over 250 at least in England.

9950. Do the rest of the claims come up to the head office?—They come to us for advice before they are admitted.

9951. If your district manager pays anything incorrectly, he is personally liable for the mistake?—Undoubtedly. Very doubtful cases, but there are not many of them, would come to us for advice before being admitted.

9952. Therefore all the real discretion is vested in the head office?—Undoubtedly.

9953. When it reaches the head office, what happens there?—It is investigated there.

9954. The first thing is to see that the member is in benefit?—Yes.

9955. Are all the books kept in the head office?—Yes, we first look at the contribution register to see if the member's book agrees with the register.

9956. How does the manager pay, if he cannot tell?—The member has a receipt book. We verify the claim when it comes to the head office to see whether the member is legitimately entitled to the

benefit. That is one of the reasons why, if a book has been incorrectly issued, the case goes back to the manager.

9957. The inspection of the contribution register is purely clerks' work?—Yes.

9958. Does it come from the clerk who passes it for benefit on to you or anybody who exercises a discretion with regard to the claim?—If there is anything at all doubtful in it, it comes to me personally, but it is only the cases that really look crooked that I see.

9959. What kind of claims would they send to you for inquiry?—Where there are such complaints as abscess, adenoids, asthenia, bronchial catarrh, chill, cold, colic, constipation, dyspepsia, flat foot, indigestion, laryngitis, neuralgia, sore throat, tonsillitis, whitlow.

9960. Why are cases of tonsillitis brought forward in this way?—In order to notify the district of the expected duration of it.

9961. What is the next thing that is done?—Where we get a particular complaint, we have a doctor there who notifies us as to the probable duration of the complaint.

9962. Is that a doctor in the service of the approved society?—Yes, we notify the manager then that the usual duration is so many weeks.

9963. Is that doctor solely in the service of the society?—Yes, he gives whatever time is necessary to go through any claims which he is required to look into.

9964. Is it a full time appointment?—If required. He attends at the office at 11 o'clock in the morning, and he may be done at 12, or 1, or 2 o'clock, or he may be there all day.

9965. What does he do for the rest of the day?—For two hours a day he is medically examining members on the fund. At the close of his examination, a whole batch of papers is put before him to run through. When that is done, unless there is something else for him to do, he is finished.

9966. In those things you have got two categories of people; one category of people who may be supposed to be ill of their complaints, and other people who are not ill?—Yes, or some who would not be incapacitated.

9967. Do you suggest that whitlow cannot be a cause of incapacity?—Undoubtedly it would be a cause, but only for a limited period. We have the average duration of these various diseases.

9968. Are there not some which suggest to your mind that they should not be allowed at all?—There are many of them which we should not allow.

9969. Therefore they fall into two categories, those which you would not allow, and those with regard to which you want to know how long it would be before the person would be well?—Yes.

9970. How do you come to a conclusion as between those two?—The doctor advises us. The doctor has given us his opinion of the illnesses. In some cases we do not admit unless there is some qualifying information in reference to such complaints as cold, or a person suffering from flat-foot. Crooked legs is another case. We want to know something about it, before we admit it. We send it back to the doctor from whom it came. The cases fall into two columns, one, cases that we should not admit, and the other, cases that we should admit for a limited number of weeks, and when that number of weeks has expired, we want to know something more about it, before we continue them.

9971. What do you do with the claims that you do not admit?—We return them to the member and state so.

9972. And also to the district office?—Yes, and we state the reason why it is not admitted.

9973. What is the reason?—That the complaint does not incapacitate.

9974. How do you know without seeing the person?—By the mere nature of the complaint.

9975. Give me an instance of such a complaint as that?—Say a cold, or a chill. I do not mean that there would not be isolated cases where they would incapacitate, but as a rule they do not cause incapacity. The usual thing that a member does is to take it to the doctor.

* The witness subsequently stated that on investigation it was found that in about 85 per cent. of the districts claims were paid by their agents.

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9976. Surely it is not the case that, when a man sends up a certificate saying that he is incapacitated owing to a chill, you write to him saying he cannot possibly be incapacitated from a chill?—We send back a statement that, in the opinion of the society, that complaint does not incapacitate.

9977. How can you possibly know that a man cannot be incapacitated from such a thing as a chill without knowing more about it? Everybody knows that a man may be incapacitated from a chill?—We are taking this thing from an all-round point of view. It would be rather exceptional not to query it on a broad view. Of course, to all cases there would be exceptions.

9978. Is it a fact that you write to say "You cannot possibly be incapacitated"?—We notify the reason why the claim would not be admitted.

9979. What reason do you notify? Do you say the reason is that he cannot be incapacitated by it?—That, in the opinion of the society, the complaint does not usually incapacitate.

9980. What is he supposed to do then?—It is for him either to see his doctor, or to open the matter with the society. He has got the rules to fall back on, if he thinks that he is being improperly treated. They give him an opportunity of appeal.

9981. To whom?—To the arbitrators.

9982. But long before it came to an arbitrator, is there anyone to examine these people?—No. Of course there is in Liverpool. These things would never happen in Liverpool. In Liverpool we should have him at the office, where we have got a man on the spot.

9983. Have you got people elsewhere in the country acting in the same capacity for the society?—We have a man in Manchester at present.

9984. He has only just begun there?—We have also one in Belfast, and one in Dublin, besides one in Liverpool.

9985. So everywhere else you send the cases back?—Yes.

9986. You do not send them to a medical referee?—There is not a sufficient number. Otherwise we should naturally notify the member to go to a medical referee.

9987. You have not advanced so far as to employ anybody in any other towns?—Casually they are employed. When a member puts up anything like a reasonable case we should admit the benefits, we should undoubtedly give him an opportunity of passing the doctor.

9988. Have you actually done so?—Yes.

9989. Did you pay the fee?—Yes, in all cases.

9990. What sort of a person did you employ? Was it a man off the panel, or on the panel?—That is immaterial. Usually the doctor who happens to be the local representative of the parent society. The parent society would have doctors in various towns, and he would attend to the other cases.

9991. In Liverpool you have a man for two hours every morning examining them?—Yes.

9992. Are these people, whom he examines, the people with regard to whom that kind of certificate has come forward?—Not only those, but people who, in our opinion, have exceeded the expected duration of disease.

9993. What do you do in those cases, do you write to say, "Chill does not incapacitate, come and see our doctor"?—No, we notify the member to come and see the doctor for examination.

9994. Take a case of chill or flat-foot?—We should certainly call such cases in for examination before they were admitted to benefit.

9995. How far does the Liverpool office extend?—It would be greater Liverpool. It would not touch the boundary towns.

9996. It is a pretty big place?—Yes, but if a member is put to any expense we pay. If a member is brought in from a particular place to attend the doctor, we pay that expense.

9997. Do you pay it when he arrives?—Yes.

9998. Suppose he were in such a state of health that he could not come, do you send a man to examine him?—Yes, the doctor then would go to the patient.

9999. Are there many visits of that kind?—There are very few. If the certificate suggested in any way that the person was bedridden, we should not dream either of asking him to come or of sending a doctor, but we should, where we get a person suffering from, say, bronchitis, who says that he is unable to walk, or something like that.

10,000. How many people will this doctor, who attends two hours a day, see in a day?—The number would vary; sometimes ten, and sometimes twenty or more. If he were called on to do so, he would go to other districts. Perhaps there would be three or four cases in the neighbouring town worth investigating, and he would attend to those.

10,001. This is the way in which the 701 cases which you refer to in your statement of evidence, and the 40 who were examined in Liverpool on the 19th November, were dealt with?—Yes.

10,002. In reference to the 900 claims submitted to the head office in one week in November, you told us that 30 were rejected; does that mean that you decided to expel them from the society, altogether?—No. We rejected the claims. The claims were not admitted at all, probably either for misconduct, or because they were workmen's compensation cases.

10,003. Have you any idea what those 30 persons were supposed to be suffering from?—Possibly from one of the disorders which I have mentioned.

10,004. You have not the actual complaints?—No, I have not got the documents referring to the cases here showing the complaints.

10,005. But on the 19th November, 19 were declared fit for work?—Yes.

10,006. What were they said to be suffering from?—I could not give you the actual complaints. The mere fact that there has been no trouble, or unpleasantness, or anything else, from the Liverpool doctors themselves supports the action that has been taken in this matter, though there is no doubt that the doctors know where they are sending the cases to with their certificates, and the Liverpool doctors are giving us a hint about a great many cases.

10,007. When this is done, is the doctor told that his patient is going to be sent to somebody else to look at?—No, I commenced that quite early in the working of the Act. The only objection that was raised by doctors about the examination of their patients was that they desired to be notified. Six thousand doctors were notified, and one attended the examination.

10,008. You gave it up?—Yes, but if there were a request to-morrow to continue it, I would do so, but it was apparently such an unnecessary expense that it was not warranted, but we would notify any particular doctor who desires to be notified. It seemed foolish to continue the practice, after notifying 6,000 doctors, when only one put in an appearance.

10,009. In these cases in which the medical man has declared these people to be fit, do you then sometimes get complaints by the doctor who gave the original certificate?—Only in very few instances.

10,010. Did you get any?—I should not like to say we had one in 250. They are on the spot, and they have the opportunity of coming into contact with our doctor; where a doctor puts up a presentable case, our own medical referee would rescind his decision.

10,011. Have you had any cases in which he has rescinded his decision?—Only two to my knowledge, where they wanted the doctor to discuss the case again, and then it was admitted for possibly one more week.

10,012. These people were being sent back to work. How many of them have taken the matter any further and gone to arbitration?—We have not had one.

10,013. They all accepted the decision?—Yes, all have done so.

10,014. In the rest of the country, has anybody to whom you wrote stating that his claim could not be admitted, contested the matter?—I have not had a single case.

10,015. Do they not complain to the agent?—If so, it does not come to us.

10,016. They do not do anything about it?—That is so.

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10,017. There are no appeals to arbitration at all?—There are no appeals as regards sickness pay, but there have been appeals as regards expulsion.

10,018. In the course of these investigations you have found a certain number of people whom you think you ought to expel?—Yes.

10,019. For what reason?—Usually for withholding material information which is discovered at the time of the illness, and which he should have given at the time he entered the society. They have either stated themselves to be in good health, or never to have suffered from any illness, and notice of illness comes in, and it turns out that they have suffered from the same complaint possibly for many years.

10,020. Have they appealed?—In some cases. There have actually been three appeals to arbitration.

10,021. With what result?—They have all resulted in favour of the member, no matter how plain the case was. There is one that is now being referred back by us. We are appealing against the decision of the arbitrators. It is to come up on the 2nd December, at Bandon, in Ireland. That was a case where our arbitrators gave a decision against the society, and now the thing is going before the Irish Commission on the 2nd December.

10,022. You have had no appeals to the English Commission?—No. The other two which were in England have both gone in favour of the member.

10,023. You have not appealed?—No.

10,024. Who appoints the arbitrators?—The committee of management. They do it in this way—if there is an appeal being held in London, we should send to our local manager, and ask him to obtain the services of certain people. They would, where possible, select a limited number of persons, five in this case, who have acted in a similar capacity, either for affiliated orders or someone else. We make no stipulation as to who they should be. The member if wished can nominate two of the five, and then the arbitration is held.

10,025. The whole tribunal would be five?—Yes.

10,026. How much are the arbitrators paid?—The biggest fee paid has been 2s. 6d. each.

10,027. What sort of people do you get to sit for 2s. 6d.?—Of the last people I believe that two were solicitors' clerks, one was an architect. It is left in the hands of the manager to fix up five independent people. We do not care who the people are at all. It is really to the advantage of our local man that the case goes in favour of the member.

10,028. Of your local man?—Yes; it is putting something in his member's pocket.

10,029. Do you ever have a woman on the committee?—There has not been a case before the arbitrators where a woman has been thought desirable, but if there was, we should probably have the tribunal entirely composed of women. That is the suggestion. It was mentioned only a few days ago that, in the event of there being a claim by a woman, we should have a board of arbitrators of women.

10,030. Five women?—Yes, because it might be a case which could not be so fully discussed by men. In any case there will be women as arbitrators.

10,031. The agent only comes into the matter for the mere purpose of giving out and collecting the cards?—Yes.

10,032. He originally procured the man for membership?—Yes.

10,033. Probably he would know the man for years?—Yes.

10,034. And know all the family, and there might be at any rate one death policy, and perhaps more, out of the house?—Yes, very likely.

10,035. Does he assist in the administration of the Act, or does he do any visiting?—There are a few cases where the agent does visit, but as a rule the majority of our visitors are not employees of the parent society at all.

10,036. Who does the sick visiting?—The little sick visiting that is done is done by outside persons, except in a few isolated cases, where there are only a few members, and in these cases it is done by asking

the manager to visit the people, and paying him according to the number of cases he visits.

10,037. Have you no real system of sick visiting at all?—No, there are actually 46 sick visitors, but 75 per cent. of them are obtaining unsatisfactory results.

10,038. What sort of people are they?—People who have not been experienced in sick visiting.

10,039. Where did you get them?—By advertisement.

10,040. They are persons in the employment of the society?—Yes, there is one instance, I think, where a man has been in the employment of the parent society, but he has had to resign that position to become a sick visitor.

10,041. What do you pay them?—30s. a week for men, and 11. for women.

10,042. How many of the 46 are women?—Approximately 15.

10,043. Do those 46 at present cover the whole of the United Kingdom?—No, only the big districts. It is a very awkward position. In a district where you have only 100 members, you could not have a sick visitor. It is only in the largest districts that you can have them. For instance, in Liverpool there are six.

10,044. How many are there in London?—Three.

10,045. To whom are they responsible?—To the senior London manager.

10,046. Who is a servant of both societies?—Yes, all the managers hold dual appointments. There is no person who is agent or manager of a national health section, who is not similarly appointed in the parent society.

10,047. Except the sick visitor?—Yes.

10,048. They take their orders from the manager?—Yes.

10,049. Does he pick out the particular cases which they are to visit?—Yes. They naturally take a particular area, and get him to visit the cases in that area. On Monday he would take one district, and visit all the cases there. On Tuesday he would take another district, and so on.

10,050. You make no effort to have each sick person visited each week?—No, in our case it would not be practicable.

10,051. It would be too great an expense?—Yes.

10,052. Have you thought about it?—Our opinion of sick visitors is rather blighted—seventy-five per cent. of the sick visitors are absolute failures.

10,053. How long have they been on?—From the commencement of paying sickness benefit.

10,054. You did not have 46 at the start?—There was a higher number than that, but as we found them absolutely useless, we struck them off.

10,055. Can you give any reason why in the case of your society they should prove so completely useless?—No.

10,056. Have you considered the practice of other societies, or have you talked the matter over with other officials?—Our opinion is that the sick visitors are there mainly for the purpose of seeing that the rules are not broken. We do not consider that the heavy claims rate is due to rules being broken. We consider that it is due to improper certificates. If you have a sick visitor, and he is of opinion that a person is in the position of a malingering, before he can put that person off, he must get a doctor's opinion. We have not found a material number of cases are declared off as a result of the sick visiting.

10,057. You have a rule which calls upon any member receiving sickness benefit to stop at home after six o'clock in the evening, and before eight o'clock in the morning?—Yes.

10,058. What do you suppose that that rule was meant for?—I take it for the benefit of the health of the person for one reason; because it is injurious to the health to be out after a certain hour, and also to give us an opportunity of knowing when we can find a particular person at home, and visit him.

10,059. Do you think that there is any other reason?—No.

10,060. Do you think that it may be to make them a little uncomfortable?—Personally, I do not think the

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real malingerer would be uncomfortable, if he were obliged to remain at home. He would not give us the opportunity of declaring him off as a result of breaking the rules.

10,061. Do you not think that if the visitor went round, he would find people attending picture palaces, and so on?—We have had cases of people being declared off through being in picture palaces.

10,062. If a sick visitor goes round keeping people in the house after six o'clock, do you think that they would not be so anxious to stay on?—Personally, I would not like to say so.

10,063. You do not think that there is anything in that?—Not in proportion to what it would cost.

10,064. Take the next case, that of a person in receipt of sickness benefit leaving his home for change of air. If that were looked after in Lancashire, it might have some effect?—Yes, but if a member wanted to go for a change of air, he would go to the doctor, and send a certificate to the society stating that it was advisable that this person should go away.

10,065. He has got to produce a certificate that it is necessary for his health?—There is no difficulty in getting such a certificate, especially in August.

10,066. Have you noticed it in wake's week?—Yes, we find very heavy claims in August when the holidays are on. We find that the doctor would rarely order a person away in the middle of winter, except in exceptional cases. They would pick out the brighter months.

10,067. Do you not think that some of that is due to the fact that your members can get easily to Blackpool with nobody looking after them?—There is no doubt that there is a lot of that done.

10,068. In reference to the question of a medical referee, are you acquainted with the system now actually in operation in London?—Yes.

10,069. Have you made any use of that?—No, we have not done so up to the present. The position is that there is now a doctor appointed by us in London.

10,070. You have not made any use of the doctors appointed by the London Insurance Committee?—No, but we have made use of the Bristol doctor.

10,071. Have you found the result satisfactory?—We have in Bristol. The system would be of use to us in districts where we have not a very large membership. If you take it on the basis of Liverpool, with which I am in closest touch, it would be of very little service to us. We could hardly send 10 or 20 persons a day before this other doctor, a great many of them being cases where the examination is held before the claims are admitted at all.

10,072. Would you approve of a general system of medical referees throughout the United Kingdom, appointed by somebody other than the societies?—Personally I am not in favour of it. I am in favour of the medical referees representing the society's interests. The members' interests are already represented by the insurance committee and the doctors.

10,073. You yourself say that you cannot have doctors all over the country?—No, in districts where the society had no doctor they would utilise that man, but the medical referee would undoubtedly be a big advantage in cases where the society have their own doctor. In the event of a dispute between a member's doctor and the society's doctor, the referee could come to the rescue as arbitrator.

10,074. But that is rather an expensive system. I do not mean that you would necessarily adopt your own doctor?—We could never retain our own doctor unless there was a large membership in the town.

10,075. Would you be in favour of having a medical referee besides?—Yes.

10,076. If such a referee were appointed, would you prefer him to be appointed by the insurance committee or the Commissioners?—By the Commissioners.

10,077. Why?—Because the panel doctor is under the insurance committee.

10,077a. Would you think it better to have a person who would do nothing else?—Yes, and not a local man.

10,078. He would have to be a local man in the long run?—Yes, but not a man selected in the district in which he was going to act.

10,079. In reference to workmen's compensation, are you attending to the provisions of section 11 of the Act?—Yes, where the evidence is given.

10,080. Do you look about to find the evidence?—Undoubtedly. Questions as to accidents are on the application for sickness benefit, and have to be answered by the member, but unless the doctor gives us the evidence of his opinion that it is an accident, or that the illness is the result of accident, we should have difficulty in tracing it to accident, should the member reply to the questions untruthfully. Where we find it, we usually refer it back for workmen's compensation.

10,081. Have you done that in a number of cases?—We have not had a large number.

10,082. Have you gone into the question of compensation in respect of industrial diseases?—That would naturally come under the same heading. We have only found very isolated cases where we have found industrial diseases that we have been able to put actually forward.

10,083. Where you do find grounds, as you would think, for a claim for compensation being put forward, do you pay the member until the claim is prosecuted?—We did in the early days, but we do not do so now.

10,084. Why do you not do so now?—Because we have a job to recover it.

10,085. You used to pay by way of advance?—Yes.

10,085a. Could you not take it off the subsequent payments?—Yes, but suppose there are no subsequent payments?

10,086. Did you have many cases where you could not recover?—No, but as regards the first few which were admitted, I should think that in about 50 per cent. of them we had some trouble in recovering. Where it has been close at hand, we have gone to the employers, who know that the case is coming on, and informed them that we are willing to advance, if they would be responsible for the repayment, and in several cases they have signed a note to this effect.

10,087. Have you actually taken action in the name of any member?—No.

10,088. Have you found it necessary to do so?—No.

10,089. Have you found members on the whole willing to prosecute their claims properly?—Yes, and we advise them as to the best course to adopt, and, unless they adopt that course, no sickness benefit is payable.

10,090. Do you get legal advice on the subject?—Yes.

10,091. In each case?—Where it affects the society; in the interests of the member we do not, unless the member actually comes for some particular information to us.

10,092. Do you get notice of lump sum claims?—Yes.

10,093. Do you send these to the solicitor to look after?—Yes, if not in order.

10,094. In all cases?—Only in one particular case I think was the amount inadequate; it was altered by the registrar, otherwise we cannot say that there has been any number of cases in which a person has been improperly treated. More often they have been treated on the generous side than otherwise.

10,095. (*Dr. Lauriston Shaw.*) Have you a special form which your members have to fill up when applying for sickness benefit?—Yes.

10,096. Does it contain a statement as to the applicant's weekly wages?—Yes, and the name of the employer.

10,097. Does it give any indication of any other sickness benefit which the applicant might be likely to claim?—Not from outside sources. The society can hardly ask for that information.

10,098. Do you think that they could not do so?—Not conscientiously.

10,099. There is a chance of not getting an answer?—That is so.

10,100. If it interests you to know what their wages are, does it not also interest you to know what they

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are getting from other societies?—In the matter of wages, there is a section in the Act which enables the society in certain cases of low wages to pay two-thirds as sickness benefit.

10,101. If you could know what other sickness claims they were making, do you think it would be useful to you?—I do not see what material advantage that would be to the society. It might possibly enable us to find a flagrant malingerer.

10,102. Is your object in getting a statement as to wages to enable you to see the relation between wages and sickness benefit?—Yes. And it confirms the fact whether a person is really insurable.

10,103. Have you taken any steps to reduce a man's sickness benefit in the class of which you were speaking?—Yes, it is only in a case where we have reason to suspect malingering, but we pay the entire amount eventually.

10,104. Do you think that your applicants quite understand the conditions under which they are entitled to sickness benefit?—No, I should not like to say that they were quite clear.

10,105. You mean that some of them do not understand that they must be absolutely incapacitated?—I believe the general opinion is that, so long as a person has a certificate, whether he is able to work or not, the society is bound to pay the claim.

10,106. Do you think that the average people would understand a simple statement with regard to that on your form?—Not the average insured person.

10,107. Some would?—Yes.

10,108. A statement as to the conditions might give them a clearer idea?—The trouble is that they would only have that statement, and they might read it to-day and lose it to-morrow, or, if it were to their advantage to forget it, they would forget it.

10,109. Is it your experience that the difficulties which you have had with the doctors in the past are growing somewhat less acute?—Undoubtedly.

10,110. With regard to the difficulty at Bolton, is it a continuing difficulty?—Yes, it has been so the whole time.

10,111. Is there any question that it is due to the difficult relations with the doctors?—I should not like to say that it was any more so there than at any other place. As regards Bolton in particular, I had 77 cases examined, and 73 were found to be fit.

10,112. The statement you made was that the amount of sickness benefit in Bolton was excessive?—Yes.

10,113. Was that a continuing feature throughout the three quarters?—Yes.

10,114. Therefore, if it is due to the difficulty with the doctors, the difficulty with the doctors is still existing there?—Yes.

10,115. Do you think that it is due to the particular class of work?—I do not think that it is that in any particular district. I was speaking of the matter of doctors working more amicably generally throughout the country. I do not say that there are not particular districts where possibly the doctors are less favourably disposed than they were a few months ago, but, generally speaking, the relations are better.

10,116. Returning to Bolton, is it your impression that Bolton is a place where the relation between the sickness benefit and the wages paid approximates?—Yes, and also that there is an exceptionally heavy female membership there.

10,117. And unhealthy occupation?—No, I should not like to suggest that.

10,118. Do you think that you have many people on your list who were really invalids when they came in?—I do not think that we have more than our fair proportion.

10,119. You did not have medical examination before admission?—Only in special cases.

10,120. Do you think that some of the people who now claim sickness benefit are people who were chronic invalids?—They were, but they are not now. The chronic people have practically all gone off.

10,121. As to the certificates your medical men sign for you, have you refused many cases on account of misconduct?—No, very few.

10,122. Do you recognise from the form of certificate whether the case is one of misconduct?—If it is a case of injury or disease liable to have been caused by misconduct, it is referred back for qualification to the district and the doctor before the claim is admitted. There have been very few cases.

10,123. Do you think that you have refused any case of disease due to sexual misconduct?—I could not give the cases here, but no doubt there have been such cases.

10,124. Would you refuse benefit on the ground of the name of the disease?—Yes, subject to confirmation. If the disease were stated, we should send it back for it to be qualified, and the reason for it to be given.

10,125. I do not see how it could be qualified?—I mean sent back for the actual opinion of the doctor.

10,126. As to whether the disease was due to the patient's misconduct?—Yes.

10,127. You think that you have only a few of such cases?—Yes, that is all.

10,128. Would you refuse a case in which you saw the name of a disease which indicated that it might be due to misconduct?—We should not do so.

10,129. Do you find that the professional advice which you have is useful to you in going through the certificates?—Undoubtedly.

10,130. You regard that as an invaluable part of your work?—It has reduced claims by 900*l.* a week in six months.

10,131. You trust rather to that than to sick visiting?—We think that if the two could be conveniently combined, the effect would be better. I mean that the sick visitor should be under the control of the doctor.

10,132. Do you think that, from the society's point of view, this use of medical assistance has discovered cases which require special treatment? Has your referee ever said to you with regard to an applicant for sickness benefit, "If he went into hospital, I think he would get better"?—Undoubtedly. We have had a good many cases where the doctor has suggested that the men should go to hospital, and in some cases the doctor himself has applied on behalf of the man in order to get him into the hospital.

10,133. In that case your medical referees have been useful in reducing sickness benefit?—Yes, particularly in cases of consumption. The doctor will tell a man exactly what he should do in order to get into the sanatorium. He is doing that as much in the interests of the member as in the interests of the society.

10,134. All the causes which prevent a patient from becoming a chronic invalid are not only to the patient's interest but to your society's interest?—Undoubtedly.

10,135. Do you think that this might lessen the number of claims for invalidity benefit?—Yes.

10,136. You said that you thought a State medical service would save you a very great deal of invalidity benefit?—Yes.

10,137. Would you amplify that and tell us what is in your mind?—The position is this: Now a man comes in on the doctor's certificate. That places the doctor in a very delicate position, because he has to give the certificate. Human nature has a large share in this argument. It is only necessary to suppose that a doctor who is attending a man with a wife and 10 children, and is attending them as well, will naturally give that man a certain amount of rope, which he would not give to a stranger, for he has to consider that he is in private practice as well as engaged on the State insurance side.

10,138. Are you thinking of a State medical service which will look after the State insured persons entirely?—Yes. And the doctor will be entirely an employee of the State.

10,139. To look after State insured persons?—Yes.

10,140. Therefore, if an insured person, say, a father, had a wife and several children who were not insured, there would be some other doctor looking after them?—Yes.

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10,141. This man would have a whole-time appointment to look after State insured persons?—Yes.

10,142. Do you think that that would be a popular thing with the insured persons?—I have no reason to think that it should not be so.

10,143. Would you make it compulsory on an insured person to submit himself to the treatment of that doctor?—I would give him an alternative of making his own arrangements in such a way as to give the society an opportunity of expressing an opinion.

10,144. You would allow him to go to the State doctor for a medical certificate?—I would let him go for that, but not necessarily for medical treatment.

10,145. You think that in this way you would get a medical man who would give a great deal of attention to the welfare of the patients?—Undoubtedly. They would only have the one interest at stake.

10,146. You would employ him at a fixed income, so that he could not increase his income?—His appointment would be governed by the actual conditions of working in the particular district to which he was attached. We should then be able to compare one district with another. While on that subject there is another suggestion I should like to make. If the present panel system is retained, why should not a list be circulated to the societies giving the usual duration of the various diseases, so that societies could see what is the expected duration of these diseases, and, when that period is exceeded, why should not the person get further certificates from the medical referee?

10,147. Do you suggest that the plan which you have adopted successfully in your own case should be provided for all societies?—Yes. This plan would give a member who is suffering from a complaint, which ordinarily incapacitates for four weeks, the four weeks' benefit, but after the four weeks have expired, the society would only admit sickness benefit on the production of a certificate from the State referee.

10,148. That is not a State service, but a service connected with it?—Yes.

10,149. As to the State service, your reason for advocating it is that the doctor's pecuniary interest encourages him to be too complaisant with the patient. That is regarding it from the point of view of your own funds?—Yes. It is not unreasonable, and would be a satisfactory way out of the difficulty.

10,150. If the doctor is paid a fixed salary for looking after a certain number of insured persons, he might, while not increasing his remuneration, lessen his work by not being too kind to the patients?—I cannot see how he could do that, because he would be directly under the control of the Commission, and if he was considered unreasonable, it would soon get to the Commissioners. The person has still his own doctor.

10,151. Do you mean he could pay another doctor?—Yes.

10,152. That is rather in the interests of the funds than of the insured person. Do you think the State service would benefit him?—Undoubtedly. I do not say that it is not to the interest of the insured person.

10,153. Do you think that the State or the society should look after the insured person?—So long as the certificate of incapacity is issued by a panel doctor, it does not matter if the doctor chooses to certify as incapable a patient for a month when three weeks would do, whereas these unwarranted certificates would mean encroaching on the funds of the society.

10,154. You say that, when there is any doubt as to the validity of the certificate, you send it back to the insured person?—Yes.

10,155. Have you any printed form for that?—No, we merely send a letter in each case.

10,156. (*Miss Jeens*.) You have rather a large female membership in Bolton?—Yes.

10,157. And a very heavy sickness rate there?—Yes.

10,158. Are they chiefly married or unmarried women?—Chiefly unmarried.

10,159. Yet you have a very heavy rate?—Yes.

10,160. Have you any experience of cases where a great many married women are employed?—No, I do not think that there is a great deal of difference. I

could not state any particular place which is heavier than another for insured married women.

10,161. You do not pay for pregnancy on a simple diagnosis of pregnancy?—No.

10,162. You do not pay for cases of advanced pregnancy?—No.

10,163. Would you decline them?—We should pay if it were a disease accompanied by pregnancy. Pregnancy in itself, not being a cause of incapacity, we should not pay for it, but if a person were suffering from gastritis and pregnancy, we should pay.

10,164. If the certificate said "Incapacity due to advanced pregnancy," you would not pay?—No.

10,165. With regard to the referee, especially in Liverpool, you said that at one time you did send the doctor a notification that his patient was to be examined?—Yes.

10,166. And that you had a very poor response, and that only one doctor came?—Yes.

10,167. Who would have been responsible for the doctor's fee in such a case?—It was merely a matter, so far as the society was concerned, of giving the doctor the option of attending, if he cared to attend, in the interests of his patient. It was at their own request that this form was sent.

10,168. But the patient himself would not be able to pay?—The form was only sent out at the doctors' request, as they desired to be informed. It was not the suggestion of the patients or of the society.

10,169. Would the doctor lose his time, and perhaps have to go a considerable distance?—In the case of a dispute between the society's doctor and the member's doctor, we pay the fee of the member's doctor.

10,170. In cases of consultation?—Yes, in all such cases. If there is any dispute and we think it advisable that both doctors should see the patient, our doctor goes with the patient's doctor to visit the patient, and we pay the doctor's fee for that examination.

10,171. You said that your referee often advised you as to specialist treatment, or hospital treatment?—Yes.

10,172. In the event of a person going into the hospital, have you made any arrangements whereby you would pay anything to the institution?—No, we pay to the members. We pay to the institution on a note of authority from the member, but we have made no agreement.

10,173. But you would pay to the institution?—If a member likes to give us a note of authority to pay to the hospital, we do so.

10,174. (*Miss Macarthur*.) When you were admitting members, did you refuse many applications?—Very few.

10,175. In doubtful cases did you have a medical examination?—Yes. The majority of those actually examined were rejected.

10,176. Now every applicant is medically examined?—No. The whole of the applications which now look doubtful are put before the doctor, and on his advice we accept or reject them. Where a case appears to warrant it, we ask for a medical examination.

10,177. Did you make any distinction between members on your private side and other people?—None whatever. No preferential treatment was given to members of the parent society.

10,178. With regard to the average weekly earnings of women claiming sickness benefit, what is the question put on the notice of illness as to wages?—The actual questions asked are: "Name and address of employer" and "Weekly wages."

10,179. Do you get a definite reply as to the weekly wages?—Usually.

10,180. Would you not get such replies as, "Varying" and "Piece-work"?—We get "Piece-work." We can ascertain the amount, if it is piece-work, from the particular trade. Usually they state a definite amount, or sometimes they say, "From 12s. to 16s." The agent is usually at hand when the form is filled up.

10,181. Do they surrender contribution cards when claiming for sickness benefit?—Yes.

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10,182. Would you not have a very large proportion of low-wage cards?—Not an exceptional number, except in a few particular centres.

10,183. You told us that in one week the average earnings of the women claiming benefit was 10s. 8d.?—Yes.

10,184. What proportion of low-wage cards did you have for that particular week?—I could not tell you the actual number.

10,185. You must have had a large number of low-wage cards?—These forms show the actual earnings of the persons. Here is the case where the person earned 3s. a week. There is no doubt that she was only working one day. They are the actual earnings, not the earning power.

10,186. Do you say that in that particular case the woman only worked one day in the week?—If she was a charwoman, she might earn 3s. a week, and she could earn 3s. on one day in that week.

10,187. You said you used this information for two purposes; first, to see what proportion the wages bear to benefit, and, secondly, to see whether the people were really insurable?—Yes.

10,188. Have you found from their replies that some members were not really insurable?—Yes, we have found cases.

10,189-90. Will you explain that?—In some cases the person will state, "Employed by parent, weekly wages, nil."

10,191. What do you do in such cases?—We return the form, and in such a case a reply is sent that the person should not be insured.

10,192. In that case, what do you do in respect of the contributions they have paid?—We notify them to make application for the refund of the contributions.

10,193. Is the case in which the wages are nil the only case in which they are not insurable?—There may be many cases; for instance, a person may be earning over 160s. a year, or may have passed that amount since entering into insurance. Those were the main reasons why the question was put.

10,194. Have you discovered that in your opinion quite a number were really not insurable?—Yes.

10,195. Have you in any case applied the two-thirds provision in case of low wages?—Yes, in one or two. They were cases where we had reason to suspect malingering. We only applied it in those cases.

10,196. Have you applied any of the special regulations which have to be applied in such cases?—The position we take is this: Where we have reason to suspect malingering, we pay two-thirds of the wages, and notify the member that the full amount of the difference will be paid on declaring off. Where a case appears to be a genuine case, we do not demur about paying the full amount, no matter what the sickness is.

10,197. I was under the impression that there had to be special regulations?—We can do so by the permission of the Commission.

10,198. Have you applied for the consent of the Commission?—No, we have not. We are not using it in an alternative way.

10,199. I do not quite see where you get the power to adopt this method?—We have power to pay two-thirds with the consent of the Commission. It is not definitely stated, but I take it that the consent of the Commissioners would only require to be obtained when you were going to pay the difference in another way, such as in kind. We inform the member that the full amount will be paid in cash, and no person is declared off without receiving the full amount.

10,200. I quite understand your practice. My difficulty is whether there is any legal justification for it?—The position is that it is for the Commission to say if what we are doing is illegal. In that case it shall be discontinued. The reason for it is that where we have suspicious cases, we find the person does not remain on the funds. In any case which is genuine the suggestion is never made. It is only a provision for suspicious cases.

10,201. I quite see the efficacy of it from your point of view?—It only remains for the Commission to say that we must not do it.

10,202. (Chairman.) Does the Commission know anything about it?—No. I did not personally consider that it was necessary.

10,203. It is rather difficult for them to say that you are not to do it unless they know something about it?—I considered that it was one of the matters left in the hands of the society. As the question has been raised here, I shall be only too glad to make application for official sanction for what is being done, if necessary.

10,204. (Miss Macarthur.) With regard to pregnancy, you say that it has not been admitted as a cause of incapacity, but that it is frequently certified as debility, vomiting, gastritis, &c.?—Where a woman has any disease, accompanied by pregnancy, we pay.

10,205. What do you call the disease? Do you call it debility or vomiting?—We should not consider vomiting as incapacitating a person.

10,206. Or debility?—No. Debility is caused by pregnancy.

10,207. When debility, or vomiting, or dyspepsia, is the result of pregnancy, you would not pay?—We should probably admit dyspepsia. Our ordinary course is to refer it to the doctor to state what the member is suffering from, and we ask whether, in his opinion, we should admit it.

10,208. If the doctor said that it was naturally caused by pregnancy, you would not admit it?—We would not, if he stated that it did not incapacitate the person.

10,209. But the panel doctor has already certified that the woman is incapacitated?—That will only carry us up to a certain point.

10,210. You said that even if a woman was incapacitated through advanced pregnancy, without any complication, you would not pay?—We should not.

10,211. What is your practice?—We admit a member suffering from a disease which incapacitates during pregnancy, but for pregnancy alone, either in advanced stages or anything else, we should not admit a claim.

10,212. With regard to sick pay after confinement, is there any special period for which you pay?—Four weeks. We were paying two on a midwife's certificate; we are now paying four on the midwife's certificate, provided they are not following any remunerative employment.

10,213. Do you stop the pay at the end of the four weeks?—Yes, unless a member brings a doctor's certificate of incapacity for sickness unconnected with confinement.

10,214. You would not accept a certificate for debility following confinement after the four weeks?—Not unless it was very fully qualified. We should probably refer it to a local doctor. We have had very little call on the funds after the four weeks. It has been taken as a recognised thing that four weeks sickness benefit is payable.

10,215. You do not, in fact, pay many?—We should not pay without investigating the case. On a special recommendation we should do so.

10,216. Do you distinguish between total and partial incapacity?—No, you can only be incapacitated in order to entitle you to draw benefit. If you are only partially incapacitated, you are not incapacitated.

10,217. According to your last reply, you do distinguish between total and partial incapacity?—It is a matter of incapacity. You must either be incapacitated or not incapacitated.

10,218. Let me put it to you like this. Suppose you had a claim from a parlourmaid suffering from eczema, which prevented her from following her employment as a parlourmaid, but which did not totally incapacitate her, would you admit such a claim?—Undoubtedly, I should not take it. Unless she were totally incapacitated, I should not admit her to benefit.

10,219. Then you do not admit for partial incapacity?—No.

10,220. You seem to be rather fortunate in not receiving many complaints from your members?—Yes.

10,221. Do you mean that when, for instance, you refuse to pay benefit in 30 cases out of 900 a week, none of the members write letters of complaint?—No.

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When I say "no," I mean that it is a very exceptional thing for anyone to do it. By the time the 900 is sifted down to 30, those 30 are, as a rule, pretty conclusive cases, and are practically a try-on.

10,222. Have you no complaints about paying for pregnancy?—Originally, we had, when it was anticipated that we should pay. Now it is pretty well taken as a matter of fact. In the early stages, when it was thought a person could come on the funds, whether incapacitated or not, there was naturally a lot of trouble then.

10,223. To whom do the members complain if they feel that they have a grievance?—Either to the committee of management, or the local representative, or the insurance committee. Usually they make inquiries through their own doctor, who approaches the insurance committee.

10,224. You do not want to qualify the statement which you made that practically you had no complaints at all?—No, that is my opinion. When you consider that there is a matter of 7,000 claims a week being paid, there naturally must be isolated instances of complaint.

10,225. But the people who receive benefit will not complain?—No, but the mere fact of having 7,000 claims must of necessity leave a certain number who would be in doubt, or would be doubtful cases.

10,226. Have you any women on your committee of management?—None.

10,227. And you have no women officials apart from sick visitors and clerks?—Not for outside officials.

10,228. (Mr. Wright.) You will agree that the satisfactory administration of National Insurance must depend to some extent upon the point of view of those who are engaged in its administration?—Yes.

10,229. For that reason I want to get at the point of view of the administrators of your society in setting up, as they did, a separate section to administer the Act. You are a mutual friendly society?—That is so.

10,230. Not a profit-making society?—All the profits go to the members.

10,231. What influenced those in authority in deciding to administer the National Insurance Act?—The primary fact was that all other industrial offices were doing so.

10,232. Whom did they desire to benefit, when they decided to administer the Act?—I take it that it was a matter of the benefit funds of the society, which, correctly speaking, means the members.

10,233. The funds of the society?—Of the parent society. In doing that they were acting in the members' interests.

10,234. In other words, they thought it would mean increased business to the society?—No, I think the general opinion was that unless the society did become approved, the officials of other offices, who did become approved, would at once obtain access to the houses in which our society was already interested.

10,235. It was a defensive action on the part of the parent society?—It was more of a defensive action than anything else.

10,236. That being so, who obtained the members?—The representatives of the parent society.

10,237. The agents?—The agents of the parent society.

10,238. Were they paid a procuration fee?—Yes.

10,239. You told us that all these collectors have to do with the administration is in distributing and collecting cards?—Yes.

10,240. They do not convey the sickness benefit to the members?—No, it is not a duty placed on them. They do in some cases accept the duty, but it is entirely at their own option. It is not an instruction of the office that they should pay it.

10,241. You told us that sickness benefit was paid in the case of the large districts by the district manager, and in the case of small districts from the head office?—It is only advised from the head office.

10,242. Who actually pays?—The district manager in all cases.

10,243. Do the sick persons go to the district office, or do they send for it?—They go, or send a note of authority.

10,244. In no case does the agent, or anyone else, call at the house with the sickness benefit?—Only in exceptional cases, where the member is possibly miles away, or the agent has occasion to call at the house at a particular time, or if the member asks him. It is entirely optional on his part to take it.

10,245. Supposing he does perform this duty, is he paid for it?—No.

10,246. Would the agent desire to pay the benefit?—Yes, in many cases.

10,247. In which cases?—In cases where he has been calling at the house, and when he is saving the person particular trouble without any particular inconvenience to himself. I have no knowledge of any representative who takes sickness benefit, when he has not got to call for any other purpose.

10,248. Do you mean that the agents would only take the sickness benefit to houses where they had policy holders of the parent society?—That is the only knowledge I have of it. These cases are not the general rule.

10,249. Has it occurred to you that the agent might like to take the sickness benefit to some of these policy holders, because of the possibility of collecting arrears at the same time he pays the benefit?—I have had no instances of that. Certainly I have never had a request from any agent, or band of agents, to be allowed to pay claims. They definitely told us that they would not pay them. Their attitude is that they want less work, and not more.

10,250. Are you connected with the parent society?—I was, but I am not now. I do not hold a dual appointment.

10,251. Would you mind telling us whether there was any appreciable increase in the payment of arrears during the last six months?—I could not say; I am not connected with the parent society.

10,252. With regard to your organisation, I understand that the section was established by a resolution passed at a meeting of the committee of management of the Royal Liver Friendly Society?—Yes.

10,253. And the approved society is governed on the same system as the parent society?—That is right.

10,254. By a committee of management, appointed by a meeting of delegates?—Yes.

10,255. Paid officials of the parent society are not permitted to take part in the management of the parent society, so far as serving as delegates is concerned?—No.

10,256. Can paid officials of the approved society act as delegates to the approved society meeting? Can they act as delegates to the delegate meeting of the approved society?—No. No paid servant is eligible to stand as a delegate.

10,257. Must they be insured persons?—Not necessarily; honorary members are eligible as delegates.

10,258. What constitutes honorary membership?—Payment of 5s. a year.

10,259. That is of the approved society?—Yes.

10,260. Do you find that many honorary members serve as delegates?—Yes, there is a large percentage.

10,261. What proportion would you say it is?—There were 161 at the last delegate meeting; 98 were honorary members, and 63 insured persons.*

10,262. How many districts were represented by these 161 delegates?—I could not tell you the actual number.† Under the rules, representation is on the basis of 1 for 1,500 members. Where there are two districts adjoining, with 1,000 members in each district, those districts would be linked together and have one delegate.

10,263. You have a system whereby nominations for delegates are sent by the district to the central office?—Yes.

10,264. Am I right in assuming, supposing there are just sufficient nominations to fill the vacancies, that those persons who are nominated are declared elected by the head office?—Yes.

* 105 delegates were returned unopposed.—A. L.

† Number of districts actually represented by these delegates is 93.—A. L.

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[Continued.]

10,265. And no local election takes place?—Quite right.

10,266. Can you tell me in how many cases there were local elections of delegates?—29 elections, returning 56 delegates.

10,267. What percentage would that be of the total number of districts?—I could not give the percentage off-hand.*

10,268. Has there been an election in half of them?—No, not in 25 per cent. You have Liverpool and Birkenhead sending 40 delegates, and London 18 out of the 161.

10,269. Therefore in a very small percentage of cases only would there be local elections?—It would be in the larger districts where there would be elections. Liverpool has vacant places, and London has seven vacant places at the present time.

10,270. How many members have to sign the nomination paper?—None.

10,271. Who nominates?—The member can nominate himself.

10,272. Are the delegates nominated by themselves in many instances?—In the majority of cases. The mere fact of a letter being received at the office saying, "I intend to stand for election as a delegate," must be accepted as a nomination.

10,273. You said that a large number of honorary members attended the last delegate meeting as delegates. What does the last part of Rule 2 mean: "No honorary member of the society shall have any right of voting as a member on any question or matter arising under the Act"?—He does not vote as a member; he votes as a delegate.

10,274. You say that there is that distinction?—Undoubtedly. He could not vote in a meeting called to elect a delegate.

10,275. But having nominated himself as a delegate, he votes as a delegate, and not as a member of the society?—Yes.

10,276. Do you think it possible that in some cases the agents exercise great influence over the nomination of delegates?—I should not like to say that they did. The rules do not prevent an agent attending at a meeting to elect delegates.

10,277. You gave an answer to the Chairman with regard to cases of a member fraudulently claiming benefit, in which you expressed the opinion that the Commissioners themselves ought to take action?—Yes.

10,278. I think you went on to say that you thought that because, if the society itself took action, it would tend to make the society unpopular?—Yes.

10,279. In whose interests do you consider the approved section is being worked?—In the interests of its members.

10,280. In the interests of the members as a whole?—Yes.

10,281. Then would it not be in the interests of the members as a whole that an individual case of fraud should be punished by proceedings being taken?—Yes, but the position was this: What would have been gained by taking proceedings would be the likelihood of preventing its recurrence. It was possible to get the money refunded. It has been refunded. There were two things to choose from—to take action against the man, although we could get a refund of the money, and, at the same time, get a bad advertisement not only from the parent society's point of view, but also from the approved society's point of view—or to allow the man to refund.

10,282. I want you to deal with it from the approved society's point of view. What would be the bad advertisement?—It would give us a bad name to be the only society in Liverpool to take action against that man.

10,283. What do you think would be the effect on the approved section, supposing you had taken the action?—We should not only have lost a number of the members that we have, but we would have found a difficulty in increasing the membership.

10,284. Supposing you did not increase your membership, what financial effect would that have had on the approved section?—The whole thing itself is speculative. It is only a presumption that taking action would have done a lot of good.

10,285. Do you hold that if you lost members it would necessarily damage the society?—Undoubtedly. I do not say that it would have done so outside the particular centre, but this case happened to be in the heart of it.

10,286. How many members have you?—60,000 in Liverpool.

10,287. Assuming that you did not get any more members between now and the valuation period, do you believe that you would be worse off on valuation than you would be by gaining new members?—Personally, I think the new members we are entering will prove more valuable than those we got at short notice. We now have an opportunity of picking members.

10,288. You are running the society in the interests of the general body of members?—Yes.

10,289. You get a case of deliberate fraud; you admit a prosecution would have a deterrent effect upon those who are inclined to commit fraud, and in that way it would benefit the general body of members?—Yes.

10,290. Still you say that you decline to take proceedings because it would be a bad advertisement, and you would fail to get new members. Would the failure to get new members injure the members you have?—The more healthy the lives of the members you get in, the better. In view of the fact that in the early stages practically everyone who came got in, and that at the present time everyone who obtains admission is a healthy person, the new members must have a tendency to bring down the claim rate. The class of member who gets in now is very different from what it was at the beginning.

10,291. What are the agents paid?—1s. a year; that is their ordinary remuneration.

10,292. For distributing and collecting cards?—Yes.

10,293. And the managers?—2d. a year.

10,294. The balance is available for head office expenses?—For all managerial expenses, doctors, rents, and that sort of thing.

10,295. What do you pay sickness visitors?—For whole-time visitors, 30s. a week for men, and 1l. for women. Where there are not sufficient to keep a whole-time man, they are paid from 3d. to 6d. a visit.

10,296. You have 46 visitors?—Yes.

10,297. Where are they working?—In the larger towns.

10,298. How many are there in London?—Three.

10,299. And in Liverpool?—Six.

10,300. How many members have you in London?—Roughly, 30,000.

10,301. You have only three sick visitors there?—Yes.

10,302. Are they men or women?—Two men, one woman, also a doctor.

10,303. What are their instructions with regard to visiting?—To report not only on what the member is doing at the time of the call, but whether in their opinion they are malingering, and whether they recommend that the case should be sent before the doctor. They do not pay benefit.

10,304. Who gives them the instructions?—The manager gives them cases to report on.

10,305. Does the district manager only give them cases concerning which he has some suspicion?—No, he is guided largely by the complaint.

10,306. Does he select certain cases, and does the sick visitor visit them?—He takes various areas; he does not actually select cases, but gives the visitor all the cases on the funds in an area—all the cases, no matter what the disease is. Spread over a period, the sick visitor will gradually get over each area.

10,307. What sort of reports do they send in?—A conclusive report, signed by the member as to date and time.

* The witness subsequently stated that this represented 30 per cent.

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10,308. Signed by the member?—The member signs the sick visitor's report wherever it is practicable.

10,309. What happens when the sick visitor goes to the house? Does he sit down and fill in the report sheet?—Yes, at the house, where it is possible, and unless the person is bed-ridden, the member signs the report to satisfy us that the visitor has been there.

10,310. That is more of a check on the sick visitor?—It is a double check. It shows that the member was actually there when the sick visitor called.

10,311. Does the sick member have an opportunity of reading through the sick visitor's report?—No, the sick visitor's own remarks are on the back of the report. They are not filled in until he has left. All that the member signs is the date and time the visitor has called.

10,312. Is it a certificate to the effect that the sick visitor has called on a particular day, and at a particular time?—That is all. That is the only information before the member when he signs it. The actual report of the visitor would not be filled up until after he had left the man.

10,313. To what extent have you found it necessary to take further action on a sick visitor's report?—In very few cases.

10,314. Is there any connection between the sick visitor and the agent?—No, the whole of the sick visitors on salary are entirely unconnected with the parent society.

10,315. Are the agents considered to be servants of the approved society?—Undoubtedly. There is no agent who holds an appointment in the approved society who does not hold an appointment in the parent society. When he relinquishes one, he has to relinquish the other.

10,316. How many books and cards does one agent deliver and collect? How many persons has he on his list?—There are 4,000 agents, and 320,000 members, so that 80 would be the average.

10,317. There are only 80 insured persons to every agent?—That is so on the average.

10,318. With regard to the doctors, you have not much faith in doctors' certificates?—No.

10,319. You are in favour of a State medical service?—Yes.

10,320. Do I understand you to say that you think the insured person should be compelled to go to a State doctor for a certificate?—Yes, for a certificate of incapacity. That is only a suggestion.

10,321. But at the same time, having got a certificate of incapacity from the State doctor, he should be permitted to receive medical treatment from a private practitioner, to be selected by himself?—Yes.

10,322. That is the scheme you suggest to the Committee as being satisfactory?—Yes.

10,323. Had you any experience of the administration of medical benefit previously to National Insurance?—No.

10,324. You told us that the doctors were human, and that it was only natural that they should be a little lenient when visiting an insured person, in view of the possibility of the doctor also having as his patients the wife and ten children?—Yes.

10,325. Do you think that the fact that the insured person has an opportunity at the end of every year to change his doctor also tends to make the doctor lenient, or careless in giving certificates?—Undoubtedly I do. If a member could not transfer from one doctor to another, there might not be the present trouble. The doctor knows that if he does not give a certificate, his next-door neighbour will.

10,326. To whom do you think the doctor feels that he is responsible?—I do not think he feels any responsibility.

10,327. Do you think that he feels the same responsibility to a panel patient as he does to a private patient?—No.

10,328. Do you think that he feels any particular responsibility to the insurance committee?—I have given you my opinion; I cannot add to it.

10,329. Have you reported any doctors to the insurance committee?—Yes.

10,330. What has been the result?—There has been no result, except that the committee have noted the report.

10,331. What kinds of complaints have you made?—Varying complaints as to certificates. I have some here which have been actually reported.

10,332. You say that there has been no result so far as you know?—No.

10,333. Have you never been told by the committee that the doctor has been censured?—Yes, but that is something or nothing.

10,334. You feel that that has no effect on the doctor?—Not the slightest.

10,335. Therefore, the doctor feels no responsibility towards the insurance committee?—That is my opinion.

10,336. And no responsibility towards the society?—No.

10,337. Do you think that it is essential, in order to work National Insurance satisfactorily, that the doctors must be made responsible to some authority?—Yes, either that, or the position should be made such that, if they are found inefficient, they should be removed from the panel. You might arrive at some system under which any doctor who has had a stated number of complaints for a stated period, or given unnecessary certificates within a prescribed period, should be taken off the panel, giving him the option of proving them.

10,338. That is another way of saying that there should be effective control over the doctors and the manner in which they perform their duties?—Yes.

10,339. The reluctance to take proceedings on the part of societies arises from the fact that societies are in competition by way of getting members?—Yes.

10,340. The societies are practically competing agencies?—Yes.

10,341. And the permanent officials of the societies are very greatly interested in an increase of membership?—Yes.

10,342. You have told us that the medical benefit would be better administered under State control. Do you also say that sickness benefit would be better administered if administered by a State department instead of by approved societies?—I do.

10,343. (Mr. Warren.) Your experience in respect of the male members, I take it, is fairly satisfactory?—Yes, there is no question at all to raise as regards them.

10,344. And there you are within the expectation?—Yes.

10,345. To what would you attribute that satisfactory state of things?—I can only attribute it to the fact that the sickness benefit paid to a man is so much lower in comparison with the actual earnings than it is with a woman.

10,346. In other words, there is no inducement for a man to malingering?—No, that is the position.

10,347. His wages put him, generally speaking, beyond that?—Yes.

10,348. In respect of your women members, you are having rather a bad experience, taking the figures you have given us this morning?—Yes.

10,349. Does that arise to some extent, do you think, from a want of knowledge on the part of these women as to the real meaning of insurance?—To some extent, yes, but primarily from the fact, I take it, that the inducement is there to go on the funds, possibly unnecessarily—the mere fact, as in our own experience of a woman having 7s. 6d. in substitution for 10s. 8d.

10,350. Men, generally speaking, had had some knowledge of the working of insurance through friendly societies, and therefore understood that to a great extent they stood or fell by their own society?—Yes.

10,351. Women have yet got to learn that the same principle will apply with an approved society?—Yes, there is undoubtedly a lot in that argument.

10,352. And they have yet to learn that the day may come, when they will either have to take a diminution of benefit or pay an increased contribution?—Yes.

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10,353. Up to the present they are rather regarding the funds as inexhaustible?—Yes.

10,354. And, being made to pay, they are going to get back what they can?—I am afraid that that is the feeling.

10,355. Do you find that more particularly with regard to married women than single women?—Certainly, the claims of married women would undoubtedly be heavier in proportion to the membership.

10,356. And you have no adequate means of supervising the sickness claims in respect of married women, or, indeed, of any of your members as yet?—No, except in regard to the medical examination.

10,357. Have you found from the reports of your sick visitors that they have experienced difficulty in obtaining admission to the homes of married women?—No.

10,358. In your opinion, claims are being made to some extent for minor complaints?—Yes, on what the society contends are more or less trivial ailments which would not ordinarily incapacitate a person. During the particular week which was under discussion this morning, 51 per cent. of the total number of claimants were suffering from what, in our opinion, are trivial ailments.

10,359. Would you lead the Committee to the conclusion that that arises from the facility with which doctors' certificates can be obtained?—I put it down largely to that. In the case of women the percentage is 65.

10,360. Careful examination is not carried out in every case?—No, that is my opinion.

10,361. Do you think it is found that to any extent insured persons can attend at a doctor's, and the doctor accepts their statement as to what is the matter with them, that they have a pain in the back or a pain in their foot?—Yes, I think, largely. For instance, I have the duration of diseases set out here, which appears to prove that, particularly with women. I have here cases of debility for 25 and 26 weeks. I have a case of catarrh for 26 weeks, a person suffering from neuralgia for 16 weeks, which I think must be admitted to be most unreasonable, and a female with tonsillitis for 26 weeks.

10,362. You said to us this morning that in your opinion it would be very helpful to approved societies if the medical profession could furnish a list of the probable duration of a number of complaints?—If the Commission would furnish a list of the probable duration of anything which could be looked upon as, to any extent, an ailment which would not ordinarily incapacitate a person for any lengthy period of time, it would be helpful.

10,363. Do you think it possible for any commission, or any body of men, to prepare such a statement?—Undoubtedly I do.

10,364. I ask that because you mentioned among your cases this morning one of tonsillitis, and you seemed to regard it as a very trivial thing which would not necessarily incapacitate a person. But there are cases of tonsillitis which are of quite a long duration?—Yes, I have one here on which sickness benefit was paid for 26 weeks.

10,365. Did we gather this morning that, from your own knowledge, certificates are being ante-dated?—Yes.

10,366. To what extent?—I have instances here of a certificate being dated a week back. These certificates, of course, are only spread over a prescribed period.

10,367. Are there any number post-dated?—No. I have found instances where a person had more than the certificate for the week's benefit in his possession.

10,368. You have not had experience of three, four, or six weeks?—Not of an actually dated certificate, but I have of blank certificates.

10,369. With the doctor's signature?—Yes.

10,370. And dates not inserted?—No date, no disease, and no name inserted.

10,371. The space upon these certificates would be for one week?—They could cover any period.

10,372. With how many signatures?—With one signature, so long as the certificate is there showing

that a member has been suffering from a disease for five weeks.

10,373. Do you not require a weekly certificate?—Yes, but I am presuming that he was on the funds at the time the certificate was issued, and went off and came on at a later date. The certificate goes into the hands of the member before it goes into the hands of the society. The doctor does not furnish a certificate direct to the society.

10,374. You were telling us this morning in the matter of the administration of your society, that persons known as honorary members can become delegates by payment of 5s. per annum. What object would a person have in becoming an honorary member of an approved society?—Being desirous, I take it, of representing the insured members in the same sphere as he would represent them in the parent society.

10,375. But as a matter of fact, honorary members never represented the members in a friendly society?—No, the bare fact of the Insurance Act excluding a man earning over 160*l.* a year is the reason for it. A person could take out a policy for the minimum amount, and become a delegate for the parent society, whereas, should he still desire to represent the interests of a particular body of persons, and that body possibly want him to represent their interests in the approved society, the mere fact of his being excluded through his receiving over 160*l.* a year would debar him from becoming a delegate, unless he is an honorary member.

10,376. Then these are policy holders in the Royal Liver whose incomes were beyond the amount?—Yes, I have no instance of where an honorary member is an insured member in another society.

10,377. Or of an honorary member who is not a policy holder in the Royal Liver?—No, practically the whole of the honorary members have become honorary members by being delegates of the parent society.

10,378. Why should he pay an annual payment of 5s.?—Because the rules state so.

10,379. But for what purpose?—I do not know. I did not frame the rules.

10,380. We clearly understand that your agents, as a rule, do not pay sickness benefit?—No.

10,381. I think you said that in cases where the manager thought he had a thoroughly reliable man as agent, he would instruct him to make payment?—No. If it was the desire of the agent, the manager would give his consent.

10,382. If he was a thoroughly reliable man?—Yes. Only in that case.

10,383. But, I take it that all your agents are reliable?—No, not at all.

10,384. Not reliable to the extent of entrusting sickness benefit to them?—Up to a certain point. For instance, presuming for argument's sake that a man starts with a society to-day, you could not conscientiously say that to-morrow that man was a man you could reasonably trust with 10*l.* or 12*l.* to pay sickness benefit, or anything else with. You would not have had sufficient experience of the man.

10,385. You mean reliable, in that sense, by reason of length of service and experience?—Yes.

10,386. It is not possible for your agents to influence the duration of sickness claims, is it? Your agents are doing business for the parent society. They want to stand well with the people they are doing business with. They want, if possible, to extend their business. They are not able to influence any business for the parent society from the fact that they are paying benefit on the State side, and are probably not making known to you the condition of health of insured persons as you would expect them to?—Of course, the position is that we undoubtedly have cases where it is pointed out by an agent, that one of his particular members is on the fund, and ought not to be, and unless the agent chose to do that, we should have a job to find it out.

10,387. There are not many opportunities for an agent to do that, seeing that the majority of the benefits paid are from the district office?—Ordinarily, unless a person was incapacitated, he would himself come for the claims unless he authorised someone else to do so. We have no conclusive proof on the point.

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[Continued.]

10,388. (*Mr. Mosses.*) Your State side is altogether separate and distinct from the voluntary side?—Yes.

10,389. You are in the same building?—Yes, but in different sections of the building.

10,390. Is the management committee on the State side identical with the management committee on the voluntary side?—At present the secretary and treasurer are the same. The parent society has a board of nine, and the National Health section has a board of five from that nine. At the meeting last week it was decided to increase the number of the board to the full nine of the parent society.

10,391. May I take it that these nine, who will officiate as the management committee on the State side will be identical with the nine who act as the management committee on the voluntary side?—Yes.

10,392. Then you will have the same board for both?—Yes, subject to the rule being registered.

10,393. So the management is really the same for both sides?—Yes.

10,394. In the outline of your evidence you state that 41 of your members who were referred to the medical referee in the Liverpool district were expelled?—Yes.

10,395. Who struck these people off?—The doctor recommends expulsion, and then it goes before the committee of management. The usual procedure is to notify the member of the reason for expulsion, to give him an opportunity of replying. In the event of no reply, they are expelled, and given the option of appealing in accordance with the rules.

10,396. Did any of them resent being struck off?—Yes, several.

10,397. Did they appeal?—There have been three appeals, but the society has not won an appeal.

10,398. On what grounds were these people expelled?—For endeavouring to obtain membership by material mis-statements or withholding information, which they should have given.

10,399. That would be mis-stating the condition of health in question 9 on the form of application for membership?—Yes, at the date of entry.

10,400. Had any of them been medically examined?—No, none of these particular cases; otherwise they would not have gained admittance.

10,401. Is there any limit of time for liability to expulsion amongst your approved members?—No, not on proof of mis-statement, or misconduct, or such as that.

10,402. Supposing anyone had been a member of your approved section for a term of years, say, 5 years, and was then proved to have made a mis-statement under question 9 of your schedule of application, you would feel yourself at liberty to expel that person?—According to the rules we should undoubtedly. It would be an entirely personal or sympathetic matter if we let it slide.

10,403. Then there is no member of your society, but has the penalty of expulsion hanging over him?—In accordance with the rules.

10,404. You have referred to annual meetings. Have you had an annual meeting?—Yes.

10,405. Was it well attended?—By delegates only.

10,406. And these delegates are paid?—Yes.

10,407. You have no public annual meeting?—No, the only annual meeting is by the delegates of the members.

10,408. Have you any local meetings of your organisation?—No. Delegates are taken from the four countries, and each district is represented by delegation.

10,409. Then how are they elected?—By the members.

10,410. Have your members an opportunity of meeting together, and getting to know each other in the different districts?—They are notified by handbills at the time of the issue of the quarter cards. Notices go out to the members informing them of the latest date for receiving nominations for members desirous of standing as delegates. They are notified in that way, and told that in the event of an election being necessary, it will be held on a stated day at a stated place.

10,411. It would not be by public meeting?—It would be to elect a delegate. It is necessary for us to notify the members.

10,412. Then only in the event of an election being held, would there be an opportunity for your members to meet together, and get to know each other?—That is so.

10,413. And you have not very many elections?—No, the members have the opportunity of calling an election. If a candidate is unopposed, you cannot call an election.

10,414. You said that there are no women identified with the management of your society. Is there any rule prohibiting that?—No.

10,415. Have you had any representations made to you by them to have a share in the administration of your organisation?—No.

10,416. Have you ever thought it worth while to explain to them that, if they care, they could have such a share?—That is in accordance with the rules.

10,417. But you have never drawn their attention to it?—Not specially.

10,418. Then we may take it that the women members of your society have really voluntarily disfranchised themselves?—As a matter of fact women were eligible to stand as delegates, and we had one woman and 160 men.

10,419. With regard to appeals against your divisional officers, I take it that the appeal would be to your management committee in the first place?—Notice of appeal is given to the committee of management. The appeal itself is to arbitrators in the locality in which the person is resident, so that they have to know local conditions, and in the majority of cases, the actual man.

(*Chairman.*) Mr. Mosses was speaking of an appeal from the district office to the committee of management. You are now talking of an appeal from the committee of management to arbitrators.

10,420. (*Mr. Mosses.*) I want to know the course anyone having a grievance must take before it is disposed of?—He must make application to the committee of management direct, or through the district office to which they are attached.

10,421. Then there is an appeal from the committee of management to arbitrators who belong to the district. Do you require anyone making an appeal to lodge a deposit?—There is a deposit of 5s.

10,422. Is that the sum total of their liability?—Yes.

10,423. And you could not possibly mulct them in further damages in the event of their appeal being unsuccessful?—No, but in all cases we have refunded it. We should in either case. It has been decided that whether an appeal was won or lost, the money would be refunded.

10,424. But all your arbitration cases have resulted in the applicant being successful?—Yes, but the total liability to the member is 5s.

10,425. With regard to incapacity and partial incapacity to work, do you pay for incapacity to follow one's occupation?—No.

10,426. Incapacity to work at anything?—Yes.

10,427. Take the typical case of a blacksmith. It is a hard, laborious occupation, and it is quite conceivable that a blacksmith might not be able to do any blacksmithing work, but he might be able to sweep the floor of the shop, to replenish the fires, or to carry water or raw material. In that case he would not be able to get sickness benefit from you, because he is able to do some of the subsidiary work in connection with the trade. Is that so?—Quite right.

10,428. If he could not get that work, you would still throw him out?—Unless he could prove that he was incapacitated from doing any work.

10,429. If he could act as a messenger or as a watchman?—We are largely guided, of course, by the doctor's certificate, and, if necessary, the opinion of our own doctor, but ordinarily, unless a man is actually incapacitated, benefit would not be payable.

10,430. In the case of women, I suppose the same principle holds good?—Yes.

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[Continued.]

10,431. Will you allow a woman to do any household duty, and still draw benefit?—No, except for the four weeks following pregnancy. Since the amending Act we have made it a matter of remunerative labour, but other than that we should stop benefit, if they were doing household duties.

10,432. For any household duty?—For any laborious duty. If a woman was caught and reported found dusting a table, we should not stop benefit, but if she was caught doing a day's washing, we should stop benefit. We should use our discretion largely in that matter.

10,433. (*Mr. Burn.*) With regard to the question of incapacity, it struck me that perhaps there was a little misunderstanding in referring to the case of the domestic servant, as to whether she was incapacitated, or partially incapacitated. I suppose that there must be a very great number of cases—in fact, one might suppose a majority of cases—where a domestic servant would be incapacitated from following her usual occupation, but still she would be capable of doing something. From that point of view she would only be partially incapacitated, but I take it that if the medical certificate were in order, and she was not found to be infringing any of the rules, you would pay?—We should, unless we had evidence that the person was not incapacitated. Supposing the case you are citing was resident in a place where we had a doctor, and we had evidence before us such as you have stated, that the person was not actually capable of doing her own particular class of work, we should have that case before our own doctor, and we should ask him to state whether she was incapacitated or not. It can only be one or the other.

10,434. You quite recognise that if it was total incapacity, you would be paying very few claims indeed?—I appreciate what you say, but it is largely a matter of discretion. You can generally see by the certificates and by your inquiries which is incapacity, and which is not.

10,435. You gave us some figures as to your actual and expected claims, and referring to the women, the first quarter seemed to show that the actual claims were not so enormously in excess of the expenditure. Then the last two quarters show something like 80 per cent. increase, yet you have expressed your belief that the result of your special medical referees is to decrease largely the rate of sickness. Have you found that it was effective in the case of the women also?—Yes.

10,436. The figures do not seem to show it. I wondered whether you had equal confidence with regard to that method of checking excessive sickness in the case of women?—The only argument I can advance is that although there is only a drop of from 20,000, to 18,000, the detection of malingering has undoubtedly counteracted what would have been a further increase. The mere fact of the jump from the first quarter to the second of 6,800, led us to suppose that, unless it was abated, there would be a further jump next quarter.

10,437. But even with the use of your medical referees, and any other method which you have adopted, you have no such hope that you would ever be able to bring them down as low as the expected. You could not expect that you would reduce your female sickness to the normal?—No, I do not expect that.

10,438. The question was asked you in reference to payment of arrears, that, as your collectors are going round, they might in some cases pay the sickness amount, and deduct the amount of the arrears due to your society on the private side from the sickness amount. I suppose that if such a thing as that were done, it would be bound to come to your notice?—I can only presume that it would come to our notice.

10,439. If this were done to any great extent may I suppose that there would be a very considerable amount of dissatisfaction on the part of your members, and that you would hear of it?—Yes.

10,440. And may I also take it that if you did hear of it, the most stringent measures would be taken with your collectors for having adopted such an absolutely improper course of treatment?—Undoubtedly we should immediately put a stop to such tactics as that.

10,441. (*Miss Wilson.*) In the case of unmarried women, do you refuse, on the ground of misconduct, the claim for sickness benefit for some complication connected with pregnancy, which you would pay for in the case of a married woman?—No, not if it is a secondary disease. Whether connected with pregnancy or not, we should pay.

10,442. You make no distinction between unmarried and married mothers?—No.

10,443. Have you given definite instructions to your branches with regard to that?—They come to the office.

10,444. So you are sure that in no case has it been refused?—Not to our knowledge.

10,445. A good many cases, which you have referred to the medical referee, did not go for examination?—No.

10,446. Do you find that they object to going to the examination?—No, the genuine case does not object, from our experience.

10,447. You think that all the cases, who do not go, are really afraid of not passing the doctor?—No, because that number of cases undoubtedly includes a fairly large percentage of persons who are not able to attend.

10,448. Then, what happens to them?—They are not off the funds at all.

10,449. You did not declare all these 245 cases, who failed to attend, off the fund?—We should declare them off, unless they can produce a certificate to the effect that they are really incapacitated, and unable to attend.

10,450. But what happened to whatever proportion it was of the 245 who were too ill to attend?—The benefit would be going on.

10,451. Have you any figures showing in how many cases they produce the certificate, and in which you continue to pay them?—No, I have not got the actual figures, but the position is that we give them a notice. If they fail to attend, we write, and ask them to submit an explanation for not attending.

10,452. What other certificate would they have to produce?—They give the statement that they are suffering from a stated disease, and confined to bed. If we think that there is any doubt about the case, or if it is a suspicious case, we should send our medical referee to it.

10,453. You cannot tell in how many cases you sent the referee?—No.

10,454. Do you think that there is a certain number who simply dislike the examination, as any of us might dislike being medically examined, and shrink from it, and do not go for that reason?—I think that the major portion do not go, because they have a good idea what the result will be.

10,455. Do you ask a good many of them to come on the same day?—Yes, between 11 o'clock and 1 o'clock usually.

10,456. If a considerable number turned up, some might be kept waiting for some time?—They are notified to come in at different times. If there are twenty coming in, five would be notified to come in within a given time, and the next five within a further given time.

10,457. You have no cases in which they have been kept waiting?—There may have been exceptional cases where a person has been there for more than the usual time for some particular reason—perhaps two or three long examinations—but usually they would take a shorter time. In any case, they are accommodated with seats, and are not put out in the cold.

10,458. They never have to wait in the street?—No.

10,459. When you say that your medical referee allows a certain number to be a week longer on the fund, or in a number of other cases two weeks longer on the fund, does that act automatically, or do they see the doctor again at the end of the time?—At the end of the week. If, in their opinion, they are still unable to follow their occupations, they can come again at the end of the week and be re-examined, but the conclusion is that, in the medical referee's opinion, they will be fit for work within the week. If they are coming on to the funds again at the close of that

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week, benefit will not be paid until they have come to see the society's medical referee.

10,460. I did not quite understand what you meant when you said that in 41 cases the medical referee had recommended expulsion. Will you tell us rather more about that?—The medical referee, when he examines the cases, has the whole of the documents before him—the member's application for benefit, the notice of illness, and the doctor's certificate—and if, in his opinion, when he examines the case the member should never have been admitted into the society, he reports to the society that it is a case which should not have been admitted, and should be expelled.

10,461. Does he say that he thinks it is possible to prove that a member was guilty of material and wilful mis-statement?—Yes, usually the information is on the notice of illness. The member states the nature and date of the previous illness.

10,462. Then he does not go into the question whether, in his opinion, there was some wilful mis-statement?—For instance, supposing a person had been in a sanatorium a month before sending in that application form, we should conclude that he should have stated it on the application form in reply to the question, "Are you in good health?"

10,463. Have you an analysis of these 41 cases?—Not here.

10,464. (Chairman.) You think then that it is impossible for the society, having regard to competition, to administer sickness benefit properly?—I do not say that it is impossible. I merely say that they are hampered by the mere fact of one society compelling its members to undergo a medical examination and, if necessary, striking them off the fund, apart from fraud and malingering, and another society knowing of it and making use of its knowledge to disparage the society. That is the effect it has.

10,465. Do you think the State will have to take it over itself?—I do not say the State will have to take it over; I am merely expressing my view for what it is worth.

10,466. I thought that was the answer you gave Mr. Wright, that sickness benefit would be at any rate better administered under what you called State control?—Undoubtedly.

10,467. Have you considered what objections might arise, on the other hand, if that were done? Anyone can understand that if you substitute for the network of societies all over the country a uniform system of what is called State control—control from headquarters—there would be certain advantages, but would there not be disadvantages on the other hand?—Do you mind stating one? I do not see any.

10,468. Do you not think, for example, that probably the mere fact that the societies are there, protecting their funds, and that their members to some extent know one another and the officials, is an advantage in itself?—Personally I do not see the advantage that is gained. It is a matter of all or none. Either it should be entirely State controlled or left alone.

10,469. Do you not think that under State control the question of the refusal or the grant of benefit to each member would at once become a matter of politics?—Not more so than at present.

10,470. Do you not think that you would have questions asked in the House of Commons why Mr. Smith in London, suffering from some of these things, has been refused by the Government, while a person down at Liverpool in the same circumstances has had the benefit?—No more so than the questions which are being asked to-day by the Commission of the societies.

10,471. You have the Commissioners on the hip, have you not? They can ask questions, but you need not answer them?—I am looking at it merely in the light of the experience I have gained.

10,472. I want to know whether you are expressing a view after having considered what is to be said on the other side?—I have considered it on both sides. I appreciate the side that you allude to—the effect it might have on the private side of the various institutions.

10,473. What seemed to me to be moving in your mind was this—you find that, in the case of this particular society, the interests of the private side and the State side are having influences on one another, which are unfortunate, at any rate, for the State side?—I do not say that. I am not suggesting any influence between one side and the other.

10,474. They are put in some embarrassment?—No. My argument is that it is a matter of competition. As it is to-day, it is competition between one society and another. One makes itself more liberal than another, and the reaction is not necessarily on the society itself, but on its secondary organisation.

10,475. The situation is this, is it not? Your parent society has been built up by the exertions of the people who are insured in it. They have a financial stake in it, and they are now in a dilemma, are they not? They have either to embark in this other business, or else they have to have other people cutting even into their private side?—That is the position.

10,476. On the other hand, if they embark in this business, any mistake they make reacts unfavourably on the private side?—That is right—whichever way it happens.

10,477. Passing from that, why should this practice which has been referred to, of the agent carrying the sickness benefit and deducting arrears of contributions when he pays it over, cause dissatisfaction to the members?—It would not cause dissatisfaction to the members.

10,478. I understood you to accept the suggestion that it would?—No, it would cause dissatisfaction to the approved society side of that particular body.

10,479. It would not adversely affect you?—No, except that if it were to happen to any extent, away would go the funds.

10,480. You are afraid lest the agents should be unduly favourable to claims on the State side—should use the State side as a sort of stalking horse for the private side?—The possibility would undoubtedly be there, though I have no evidence of it.

10,481. Supposing they did it, what would you do?—We should immediately make the agent refund it, and probably discharge him at once.

10,482. The parent society would?—Yes.

10,483. But you are not the parent society?—No, but it is a dual committee, and they would do it.

10,484. A dual committee controlling two separate businesses?—Actually the same committee controlling the parent society and the approved section in two different places. There is no person who is either on the committee of management, or secretary or treasurer of the National Health section, who is not holding a similar position on the private side.

10,485. The committee of management is elected by the delegates, is it not?—Yes.

10,486. The agents cannot sit among the delegates?—No, no one has access to the room but the delegates. No paid servant can be a delegate, or be in attendance at a meeting, except those engaged at the meeting while it is being held.

10,487. But as a matter of fact, what does happen before there is a delegates' election? You say members are informed by handbills. Who takes the handbills round?—They are distributed in each town by the agents.

10,488. So the situation is that the agent takes round the notice of election?—Yes. It is delivered to each member in accordance with the rules, when the agent hands each member his card for the coming quarter.

10,489. And with it he hands the notice of a meeting to elect a delegate?—Yes, and the rules controlling the election of a delegate.

10,490. So that the only possibility of concerted action between the members is through the agents?—It is the only way they would know actually who were the delegates standing, except that it is stated on the notice that the names and addresses of delegates giving notice will be published in the district office.

10,491. And that is the only way in which they would know who were their fellow members?—Yes.

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10,492. So that if any members wanted to join together to elect a delegate, the only practical way to do it is by taking the agent into their confidence, and the agent taking them into his confidence?—That is quite right. Before this meeting came into force it was suggested to the Commission that we should advertise the meetings, the same as is done with the parent society, but they made us adhere to the rules, and that is one of the amendments which is coming up to the Commission. With the parent society the system is to advertise in two newspapers circulating in each district where there are members.

10,493. But even there, if I happened to be insured with you, and looked in a paper and saw that there was going to be an election, I could not find out who else was insured with you, unless I asked the agent when he happened to come to my house. That is so, is it not?—Undoubtedly there is no means, except by inquiry at the local office, or from the local agent.

10,494. Is it the fact then that the election of delegates is to an enormous extent in the hands of the agents?—I cannot say the election is in the hands of the agents to any extent, but I must admit that the whole power of giving information to members emanates from the agent, and from no other source.

10,495. Were you connected in any way with a collecting society before the passing of the Act of 1896?—No.

The witness withdrew.

MR. E. L. POULTON (*General Secretary of the National Union of Boot and Shoe Operatives*) examined.

10,502. (*Chairman.*) Are you the general secretary of the National Union of Boot and Shoe Operatives?—Yes.

10,503. Is that a trade union?—Yes.

10,504. Existing before the passing of the Act of 1911?—Yes, it has existed since 1874.

10,505. Is it a registered trade union?—Yes.

10,506. Which has been approved as a whole for the purposes of the National Insurance Act?—Yes.

10,507. Is it a trade union which admits both men and women?—Yes.

10,508. Can you tell me how many members are men, and how many are women?—I should think we have about 7,000 women now, and about 40,000 men on the private side.

10,509. And on the State side, as an approved society, how many have you?—About 28,000 in all.

10,510-1. How many of these are men, and how many women?—I have not the figures. I should think that there are about 3,000 or 4,000 women, and about 25,000 men in the four countries.

10,512. Can you tell me, roughly, what proportion there is in England?—There are over 25,000 in England.

10,513. And the same proportion of men and women may we take it?—No, I think the proportion of women would be highest in England.

10,514. The trade union before the passing of the Act of 1911 paid sickness benefit, did it not?—Yes.

10,515. Can you tell me what contribution was paid in respect of sickness benefit, and what the benefit was which was paid, or was the contribution an inclusive contribution?—No. In clause 144 of the rules the money is split up in the proportions.

10,615. I see written here, "males," and underneath, "sick, 2½d.," and then again "males, sick, 3d."?—That means that the full contribution is 8d. and the proportion is 2½d. the trade part 3½d., and the branch 2d.

10,517. What is meant by the next entry, "males, sick 3d."?—That is for sick members. We have some who were full operatives when they joined us, but they either became managers or manufacturers, and do not want to leave the trade union altogether, and they pay to the sick department only, and that is their proportion.

10,518. Men pay a contribution of 2½d., and what benefit do they draw?—10s. in any 12 months for 12 weeks. Then there is the funeral benefit, which is included in the 2½d.

10,496. You are familiar with the provision in that Act which forbids an agent taking part, or being a delegate, or being present at a delegates' meeting, or taking part in any meeting?—Although that is in the original Friendly Societies Act, as a matter of fact agents can actually be present in the room, and vote if necessary at a meeting to elect a delegate.

10,497. In what capacity?—In the capacity of members. There is nothing in the rules to prevent it.

10,498. In an approved society?—Yes. For the election of a delegate, improper as it is. Take a particular district, and suppose 20 agents wanted a particular man to be the delegate. According to our rules to-day, there is nothing to prevent these 20 agents attending the meeting to elect the delegate. They cannot stand as delegates, but they can vote as members, unless there is some provision inserted in the rules to prevent a paid servant from going in.

10,499. You are talking now of the approved societies' rules?—Yes.

10,500-1. The prohibition covers the parent society. There is nothing which dispenses the parent society from that obligation?—The agent cannot take any part in any form of meeting of the parent society, but he can with the approved section, as far as voting as a member is concerned. I know he cannot stand as a delegate.

10,519. Women, on the other hand, pay 1½d. for their sick and funeral contribution?—Yes.

10,520. And what benefit do they draw?—Half of the amount drawn by the male. That is stated in clause 146. "Females pay 4d. per week and are entitled to receive one-half the benefits."

10,521. On the general question, do you think that claims are being made upon the society in respect of sickness benefit which are not justifiable?—Yes.

10,522. Why do you think so?—There are a number of reasons. One of them is the inclination of the doctors to grant certificates, where we think they ought not to grant them. Then I am afraid the influence of some portion of the Press has had some effect—that they are going to get all they can out of Lloyd George.

10,523. Do you mean that the Press has encouraged them to think what a splendid thing it is, or what a bad thing it is?—That depends on the point of view they are looking at it from.

10,524. Do you mean that a portion of the Press has held the Act up to ridicule?—Yes, quite so.

10,525. What are the facts which have brought this idea to your mind? What makes you think that it is so?—One's general experience in the office. We happen to have three of our branches in the same set of premises, and one of them is far and away the biggest in the union. It has 8,000 members in it, which is big enough for a union by itself. The experience gained by the officers of that particular branch, with whom I am in contact daily, is that there is a great deal, I will not say of looseness, but that there is an easy way of giving certificates.

10,526. And is there an easy way of claiming?—So far as we are concerned, we are doing all we can to stop that.

10,527. From your point of view, do you find insured persons quite willing to claim?—Quite so.

10,528. Can you give me any figures?—I find that, for a period of nine months, the amount of money that we spent on the private side in sick pay in the aggregate was 10,832l. last year. That includes funeral pay. I cannot dissect them because they are lumped together. In the same period this year we have spent 16,781l., an increase of 50 per cent. for the same nine months.

10,529. Which nine months is it?—The first nine months in the two years 1912 and 1913.

10,530. Is that on the same membership?—No, the membership has increased, but I should say that is has

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not increased more than from 18 to 20 per cent., while you see the amount of money spent has increased by 50 per cent.

10,531. You could not be a little more definite as to the exact increase in the membership?—No, I could not.

10,532. Have you any figures with regard to what you paid in the three quarters on the State side?—I am afraid I have not got them, but I know from statements made to me that the department is in a very serious frame of mind, because the amount of money they are called upon to pay out is very considerably more than is allowed by the Act, having regard to the splitting up of the moneys.

10,533. You cannot make it more definite than that?—Not for the moment, but I can send the whole figures made right up to date.

10,534. Is that equally true of men and women, or does it specially affect men or specially affect women?—In just a few of our branches I should say it affects the men as much as the women, but in Leicester, where we have one women's branch—we only have one branch of women exclusively—the women's secretary is constantly telling me that the effect of the Act has been to increase very largely the sick pay on the ordinary side out of all proportion, she thinks, to what might be termed the real and genuine sickness.

10,535. Are the conditions of obtaining sickness benefit on the private side the same as the conditions for paying sickness benefit on the State side, apart from the first three days?—Judging by the letters we are receiving from the Commissioners, and the appeals being made against us, we think that our rules on the private side are stricter than on the other side.

10,536. What is your rule on the private side?—It will be found in sections 193 to 210 of the rules.

10,537. Does it define anywhere what incapacity means?—I do not think that it says really what it means.

10,538. All it says that I can find is "Any member declaring on the sick fund must produce a certificate from a legally qualified surgeon, and, should the illness continue, a certificate must be produced every alternate week." I cannot find anything which says in exactly what circumstances they become entitled?—We should take a certificate from a doctor in the ordinary way unless we have reason to doubt it, and then we should refuse to pay until we have had a special examination, which we have power to order, and as a matter of fact we are taking constant advantage of it.

10,539. Is that on the private side?—Yes, and on the State side also.

10,540. Will you give us a concrete instance. On the private side, suppose a member is incapable of going to work in the boot factory, but is in such a condition that she could do something else, would you pay or would you not?—Supposing the doctor was to give a certificate upon the out-of-work side, when the member went to declare on sick, we should still refuse sick pay, if she were capable of light work.

10,541. You have always done that?—Yes.

10,542. Is this jump from 10,832*l.* to 16,381*l.* a progressive increase? Was there a similar increase in the previous nine months?—It is a sudden jump.

10,543. Can you tell us what the figures for nine months of 1911 were?—No, only that I know by our gains and losses, month by month, that we are getting in a very serious condition from the point of view of gains and losses, because during the same nine months of 1912 we made a net gain of 1,978*l.* and in the same nine months this year we have lost 2,191*l.*

10,544. What does "gain" mean?—It is the income based on the amount of money paid into our fund and the amount of money paid out.

10,545. What about the state of mind of your members? Do you think that they understand the business they are in?—I think that they do.

10,546. Do you think that your old members on your private side understood that it was their own business, and their own money?—I think so.

10,547. Do you think that they understand it on the State side?—I think that they understand it.

10,548. You think that they know that if they take more money than they ought, there will be less for them to take in the future?—I should think that they know that; but whether they think it out for themselves and reason it out is another matter.

10,549. Have you tried to teach them?—As far as one is able to do so.

10,550. Your people ought to be singularly well equipped for this kind of idea, because they, or their officers, have been doing it themselves for so many years. One would have hoped to find that they would be accustomed to seeing their funds well guarded, and helping to guard them?—It is difficult, and one could not prove it, but I should say that a great many of the cases we are dealing with are people who have come in through the Insurance Act.

10,551. Did they go into the union, too?—Yes.

10,551*a*. You do not take people into the society that are not in the union?—No, we decided that we would not take anybody on the State side, unless they were on the other side.

10,552. What is the ordinary range of the wages of your men?—It is rather difficult to get at what they do earn, but I suppose the Government returns are for 52 weeks. It is about 25*s.*, but if you go to Leicester, the manufacturer could point out a man earning 50*s.* per week. That is the difficulty.

10,553. Roughly speaking, to give us some guidance, what would you say the wages were?—The minimum rate of wage in our regulations with the employers is 30*s.* That is for the slow man.

10,554. Are they making it? Are you causing the employers to come up to it?—In Leicester, which is a representative town, and where we have far and away the largest number of members, the minimum is really being carried out to that extent, but it is for the slower men. I have no doubt, however, as to the truth of the statement that employers can point to men earning 40*s.*, 45*s.*, or 50*s.* per week.

10,555. There is not much difference, as a general proposition, between the 1*l.* a week, which in a great many cases they can draw from the two sides of your union, and the 25*s.* or 30*s.* which they can get from their employers?—Having regard to the fact that that represents 52 weeks.

10,556. That would tend to bring them on to the funds at a slack time?—Yes.

10,557. Has it been pretty good trade with the shoe-making industry?—Yes, we have had very fair trade, but at the same time the secretary of our next biggest branch in Leicester told me only a week ago that it was a remarkable thing that, as soon as there was any slackness of trade, the amount of sick pay went up immediately both on the private and on the State side.

10,558. Have you had any slack trade since the Act came into operation?—Yes, this is our slack time. I am referring to Leicester and Northampton, whose slack period is at the same time.

10,559. What makes the slack time occur during the autumn? Is there no particular reason in your trade except the course of business?—We have always found that this is our slack period, if there is a slack period.

10,560. Apart from the natural slackness which comes in every trade in every year, have you had any exceptional slackness of any kind?—We have in Northampton.

10,561. What is the difference between the Northampton and the Leicester work?—Until the last ten years the Northampton work has been largely the men's work, but it is rapidly also becoming a women's centre as well. The distinguishing features were men's work in the higher grades in Northampton, and in Leicester women's work and medium grades. Now Northampton is also taking women's work, the better medium and the higher grades as well.

10,562. What ordinarily is the range of women's wages? It would be difficult for a manufacturer to point out a woman earning 50*s.* per week?—It would.

10,563. What is the best woman's wage?—I dare say that in Leicester you could find some of them earning 25*s.*

10,564. And in Northampton?—Although the work has been high grade in Northampton the women's

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wages have always been comparatively low until the last three years, when we established a general statement of wages, which meant a very considerable rise in the aggregate sum paid weekly.

10,565. What was the minimum?—When they have got right up to the top, they run up now to 16s., 17s., and 18s. per week.

10,566. Up to the top of their particular craft?—I will not say that there are not exceptional cases.

10,567. What is the average sort of wages there?—Taking the younger as well as the more competent women, I do not suppose that the average in Northampton would come out at more than 14s. per week.

10,568. Take the case of a young married woman of 30 years of age, what would she be drawing?—If she were a competent woman she would now, in Northampton, under this scale, be having from 16s. to 18s. per week, and in Leicester she might go up to as high as 25s.

10,569. Beginning at 16s.?—We have not a uniform rate of wages established in Leicester the same as in Northampton, but the wages are proportionately higher on account of the fact that there is such competition in the hosiery trade to secure the women's labour.

10,570. Does that mean that these women who are earning this money are working all through the week?—Yes, and the great bulk in Leicester and Northampton do work indoors.

10,571. And all through the week?—They may be put off for a day or half a day, and I will not say that you cannot find cases, because as a matter of fact you can, where they are stood off for a week at a time, but the usual practice is to lose some hours per day, or to stand off for a day or half a day, and not generally for a week together.

10,572. Is the wage per hour?—Some factories are on day-work, and some are on piece-work. The employer has the right to adopt one or other system, so long as he conforms to certain agreed regulations.

10,573. If a woman is off for an hour or two, her wage drops?—Yes.

10,574. Bearing that in mind, what do they make on the average? What would a woman whose wages you say would range from 16s. to 18s. per week look to, if she had a family to keep?—If she was having 16s. as her normal wages, and you take 52 weeks, I dare say that it would come down to 12s.

10,575. So that really what with the 5s. on the private side and the 7s. 6d. on the State side, there is extremely little in it between that and the weekly wage?—That is exactly what our woman secretary tells me has taken place. When the women had 5s. sick pay, and they did not feel bad enough to go on the fund, they kept at work, but now that they have 12s. 6d. per week there is a much greater inclination, and the doctors encourage them, to go on to the funds.

10,576. Are they mostly married women?—As a matter of fact we find that it is the married women who have gone on the fund in much greater proportion than the single women. Our greatest difficulty, so far as women are concerned, is with the married women.

10,577. The married women save something by not going to work?—I should think that some of them do.

10,578. Do you not think that other things enter into it in the case of the married women? The young married woman, beginning to bear children probably, does feel seedy sometimes?—I have no doubt that some women do.

10,579. At what age do they commence to work?—When they leave school.

10,580. And they work steadily on till the age of marriage?—Yes, and in a good many instances afterwards.

10,581. That has been their history?—Yes.

10,582. Supposing for any particular reason that they ought to have stopped at home, they had no resource? They were working to keep their parents, or until they were married, were they not?—I think that there is usually an agreement as to how much they shall pay their parents.

10,583. What about the doctors?—It is the experience of a good many of the agents that the doctors give certificates a good deal easier than there is justification for doing. The idea that a rest would

do a patient good has become much more general since the passing of the Insurance Act.

10,584. Do you think that the doctors are actively hostile?—I cannot say personally that I have come across doctors who are absolutely hostile.

10,585. They are indifferent?—Yes.

10,586. Some suggest that at one time they were actuated by a desire to wreck the Act and others say: "No, the doctor really tries to do the best for the "patient"?—Personally, I think that some doctors would be glad to see the failure of the Act.

10,587. Do you think that enough of them take up that attitude to make any difference?—Yes, quite so. It is a very serious financial position into which we are already being led.

10,588. I can understand a doctor being overborne by a desire to do all he can for his patient, but I cannot see why he should want to injure you?—He does not want to injure us.

10,589. Or the society?—Or the society. He is thinking of the Act itself.

10,590. Why should the doctors want to injure the Act? They have done very well?—I think that all of them have. I think that they have made a very fine bargain. They never had such a bargain when they were under the friendly societies.

10,591. Have you not found that as he has drawn his quarterly cheque he has begun to think that he has made a fine bargain?—I think so.

10,592. Is not that beginning to affect his attitude?—Our experience is not so. We have for some time in Leicester had to take our cases to a medical referee, which we did not wait for anybody to appoint. We got so many cases which we were fully convinced were frauds that we simply took them to a doctor, and about 70 per cent. of them went off at once.

10,593. Have you kept a record?—Yes, they have kept a record in the office.

10,594. Could you tell us how many you have sent?—Up to about the beginning of this month the Leicester No. 1 branch had referred 12 cases. That is apart altogether from any action the officers may have taken. 10 out of those 12 were certified as fit to go to work.

10,595. What was the matter with those people?—I have not the nature of the complaints here.

10,596. In those cases did you, or did anybody, communicate with the doctor who gave the original certificate?—I cannot possibly say whether the secretary did.

10,597. Is it your practice to do so?—Although I may have my own opinion, I do not want to go so far as to make a complaint to the insurance committee if it can be avoided. That is the proper place, I understand.

10,598. Yes, that is the proper place. Have you made any complaints there?—All that we have done is that in one whole district we complained generally under the section about there being bad conditions. We complained both to the Local Government Board and to the Commissioners.

10,599. That is rather another point. Have you complained about any doctor?—I should think that possibly my colleague, who is a member of the Leicester Insurance Committee, has complained, but I cannot say of my own personal knowledge. I have unfortunately been ill, and therefore away from the work directly.

10,600. Have there been any formal complaints?—So far as I know, they have not sent a formal complaint to the insurance committee itself.

10,601. Have you found that the doctors have filled up the certificates with some disease or other, and have not left them blank?—I have one here which has been altered.

10,602. Who altered it?—The doctor.

10,603. What was it originally?—He has put on it now "bad teeth," but the agent is convinced that previously he put "bad mind." We had another one sent from Kettering that the man was able to work, but was unwilling to do so.

10,604. Perhaps he was having a little bit of more or less harmless fun in that case?—Yes, but the man presented it. In another case in London the doctor in sending the certificate said that he thought it was a case

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for the medical referee. A friend of mine who has had a great deal of experience said that in Leicester one of the reasons why the doctors are adverse to refusing people certificates is that, if they do so, they fear that their patients may say, "Very well, if you do not sign my certificate, I shall simply go to someone else." They are not going to run the risk of losing their patients.

10,605. The whole question is whether it is sufficiently prevalent to make any difference. Supposing half a dozen doctors behaved in the most dreadful way, that would not be a matter to bother about. How far is it general?—Personally, I think that there is a good deal of it. I do not know whether a letter has been sent to you, but the executive council of my union passed a resolution declaring that in their opinion the only satisfactory way of dealing with it is by a State medical service.

10,606. What is it that moves them to come to that conclusion?—I take it that it is first their experience, because nearly every member of my council is an executive officer of a branch in some part of the country, and is constantly administering the Act. Then there is the evidence of the central insurance department itself. If they had not already come to that conclusion, they certainly would not have hesitated to do so in view of the report presented only yesterday from Bristol. This report deals with 500 cases.

10,607. What body is it that is reporting?—The insurance committee of the city of Bristol. There are 500 cases which have had to be dealt with before that committee in some special manner.

10,608. Five hundred cases in your society?—No, generally. This is a general report sent out by the Bristol Insurance Committee. They say that of the first 500 cases examined by the special referees, there were 189 certified as immediately fit for work, and 132 did not attend for any examination, leaving only 179 out of 500. They looked upon that as a most serious matter.

10,609. Why does that lead you to think that you would rather have a state medical service?—Because then the doctor would be independent.

10,610. It would also be a corollary that the patient would not be free to choose the particular doctor by whom he was going to be attended?—It would come to that.

10,611. Is not that the whole point of what you are saying? As long as the patient is free to choose, he can of course go to the lenient man?—Of course.

10,612. And therefore doctors have a temptation to be lenient?—Yes.

10,613. Perhaps you would say that he would not be so lenient if he were a State paid official?—No, we do not think that they are sufficiently independent at the present time.

10,614. Speaking with some experience, would you not say that even State officials are not infallible creatures?—Quite so.

10,615. Although their salaries are paid periodically, there are things to influence their action?—Yes.

10,616. Do you not think that an official responsible for some local area would have a desire to get as large a list as he could?—I should not think so. I should like my work lighter, not heavier.

10,617. Do you not think that the young ambitious man would want to get on, and that the best way would appear to him to be to obtain popularity with his patients?—I do not know that it would. For instance, the doctor to whom we send our cases in Leicester is, I should think, one of the most popular although one of the most strict there.

10,618. Does not that lead you to think that perhaps the first cure is not to set up a State medical service, but to appoint medical referees like what they have at Bristol, or to do something on that line?—My own view right from the start was in favour of a State medical service.

10,619. We can all see that there would be advantages in a State service doctor, but putting that aside for the moment?—Although I think that it is a distinct step in the right direction, nevertheless it is incurring additional expense.

10,620. If you could not get a State medical service, would you like to get medical referees?—Yes, as an extension of the present system.

10,621. And someone independent?—Certainly.

10,622. Would you like him to be appointed by someone outside the society?—Yes, if you are going to have medical referees, you must have them absolutely independent.

10,623. Would you prefer them to be appointed by the Commissioners or by the insurance committees?—I think that an arrangement might be made whereby the Commissioners might, as a matter of fact, appoint after consultation with the local insurance committees.

10,624. That is what you would prefer?—I do not think that they should act absolutely over their heads without any consultation.

10,625. I wondered how far you had weighed the advantages of a central and a local control. There is a great deal to be said for either side?—Yes, of course. Our experience as a union during the whole 40 years has been, despite all the shortcomings of the inspectorate, that we have been better looked after by the national inspectors than by the local ones.

10,626. They are more independent?—Yes.

10,627. You always gave sickness benefits. Of course, you gave them only on certificates?—Yes.

10,628. Who used to give the certificate? Was there a lodge surgeon, or could they go to anybody?—They went to anybody. We never found a doctor except in the town of Stafford. There the branch committee made an arrangement by paying a small extra sum per member to have a certain doctor, but I know of no other branch that has done anything of the sort.

10,629. So that your members had free choice of doctor before the Act came into operation?—No, it was not so, because many of them were members of friendly societies. Therefore, they had their friendly society doctor.

10,630. May I take it that most of your members are insured not only with you on both sides, but also with some friendly society?—I dare say that a good many of them are, but I could not tell you the proportion.

10,631. That is coming perilously near to over-insurance?—I know it is.

10,632. What do you do about sickness visiting?—You will find it in section 195 of our rules.

10,633. Is that on the private side?—Yes. It applies equally to the other. "Sick stewards must be appointed whose duty it shall be to visit the sick."

10,634. Who appoints them?—The branches.

10,635. How many do they appoint?—It depends upon the size of the branch. The Leicester No. 1 branch has 12.

10,636. Are they appointed for any length of time?—I think that they take nominations for the position once a year.

10,637. What are they paid?—The branch has absolute freedom as to how they appoint, and as to how they pay, but the Leicester No. 1 branch pays 2s. 6d. per week, and they cut it up into districts.

10,638. They are members of the union?—Yes.

10,639. Men and women?—Yes, where there are women members.

10,640. The rule requires that sick women shall be visited by women?—Not our own rule, but of course the State rule does.

10,641. I think that I read a rule a moment ago that said that it was necessary that a female sick steward should be appointed to visit sick female members?—That was not in previously. That was only put in because of the State regulation. These rules were revised.

10,642. Are those rules being carried out?—Yes.

10,643. Do they appoint sick stewards?—Yes.

10,644. Do they carry out their duties?—I do not say that they always come up to the standard that we should like, but they are doing all that is humanly possible both by letters, and by visits, and by circulars to insist upon the rules not only being carried out, but being carried out rigidly.

10,645. Do you think that it is done?—There are the books.

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10,646. They have to sign them?—Yes.

10,647. You can have a system of visiting people and sign all the books in the world, but it all depends upon how it is done, upon the spirit in which it is done?—Quite so.

10,648. Do you really think that they are addressing their minds to the difficult problem of getting their own friends and fellow workers off the funds?—I think that they are. We have had the main trouble not only in numbers, but also proportionately, in Leicester No. 1 branch, but I think that there they are honestly trying to do their duty. The agent has threatened to give up the position about six times because of the trouble. There are not only the reports from the sick visitors, but every case is read out, and an appeal is made to all the members that, if they know of anybody transgressing the laws, they should report them. Nobody knows who reports them. In addition to that, there is a special sick visitor who attends, and notifies at any time that he may think that there is the least suspicion of anybody not carrying out the rule so far as sick pay is concerned, or if they are on the funds in an improper manner.

10,649. What is an agent?—He is a member appointed, and whom we can call upon, to do anything connected with the union.

10,650. Is he a whole-time servant?—Not in the ordinary way, but it does happen that a person very often called out to help in this matter does not do any work in the factory.

10,651. He makes his living as an agent?—No, he is in a certain public position. He has other positions in connection with the union, which practically makes him almost whole time upon this work, and upon trade union work purely.

10,652. Of course, he holds his office by the vote of the members?—Yes, he is on the executive, but so far as his agency is concerned, the vote is once in two years. The other is once in a twelvemonth. I think, on the whole, the sick visiting is done efficiently.

10,653. Do you find that people threaten to leave the trade union, because they say that you deal with them harshly on the State side?—We consider that we deal with them more strictly on our own side. When they do not deny that they cannot have sick pay on our private side, they say that there is nothing in the Act to prevent them having sick pay on the State side, and they appeal to the Commissioners against us.

10,654. Do you find that the fear of injuring the union is to any extent weakening the hands of your people in assisting you to administer the Act?—No. There are so few cases apparently, but even if there were many cases, I should not hesitate if they did.

10,655. Do you think that your assistants, the agents, the sick stewards, and those sort of people, are all strong enough in their minds to do what is right, where it may damage the union?—I should not like to speak for the whole of them, but it is quite satisfactory to me, quite apart from any official appointed, that the members, if they knew of anyone on the funds flagrantly breaking the rules, or frequenting public-houses, or anything of that sort, would report the case. We have told them plainly that if they do not, at the end of the time when the whole thing is gone into, they will have a levy put on to them to make up the deficiency. We are putting that to them, whether it is so or not.

10,656. Do you pay on certificates which say "pregnancy" and nothing more?—I have told the agents up to the present that if the certificate says only that, we do not feel justified in paying, but the difficulty is the vagueness of the Act, and as to whether we should be upheld in that position. We have been threatened that if we did not pay, the matter would be taken to the Commissioners, and that we should be compelled to pay. The executive hold that the mere fact of a woman being in that state is not enough to say that she is suffering from any illness. It is not illness within the meaning of the term. If we were compelled to pay during the whole nine months, the whole thing would very speedily be in bankruptcy.

10,657. Have you resisted those claims?—Unless there has been some other thing as well. The difficulty is that it brings us back to the independence of the

doctor. I have got two cases here in which the certificates were signed in that kind of way. They do not belong to my own society, but I have it from the society first hand. They were taken back to the same doctor, and he simply put his pen through the word "pregnancy" and put in one case "anæmia" and in the other "lumbago," and they were bound to pay.

10,658. Did they ask him what he meant?—I do not know. That is what is being done. It is a most difficult matter. A friend of mine, a doctor, has spoken to me several times about this very point. He takes up the position that he would not sign a certificate for that cause unless the society instructed him to do so, because he holds that it might be looked upon under certain conditions as a normal state, and therefore it could not be an illness within the meaning of the rules of any society for paying out sickness benefit. We have had cases where we have known that if we had paid out, it would have simply meant that we should have had to pay for eight months.

10,659. Those were cases where there was something besides pregnancy?—No, that is what was stated.

10,660. Do you mean eight months for pregnancy without any complication?—Yes.

10,661. You have not paid in those cases?—No, we resisted.

10,662. What steps do you take with regard to compensation claims?—We have always, at any rate for the past 20 years, undertaken to fight any case for compensation. That was simply when it was the Employers Liability Act. Therefore, any members who come along under this Act, we naturally do not pay them any money.

10,663. They are all fought on the union side?—Yes, but they are entitled to sick pay on the union side. We take them up from the union side, and pay any expenses connected with the case out of union funds. So far as the State side is concerned, we do not pay them anything.

10,664. You do not take advantage of subsection (3) of section 11 of the Act?—No.

10,665. Why do you not do so?—Because we think it better to hold the case over. We have had no difficulty in getting the money. We very rarely, as a matter of fact, have any difficulty in our trade. The employer recognises his obligation straight off.

10,666. It is generally settled by agreement?—There has been no reason why we should take advantage of that subsection.

10,667. Is it not very often settled by agreement?—Of course, the Workmen's Compensation Act lays it down that they should have half of their wages.

10,668. Do you have many cases which end up with the filing of a memorandum of agreement before the registrar?—We always ask our members, however small it is, to file it, so that, if anything happens in the future, it can be referred to.

10,669. You have not felt it necessary to intervene, and complain of the size of the sum?—Only in a few cases, over a period of ten or a dozen years.

10,670. You have not since the Act came into operation?—I do not know of any case.

10,671. You are given extra powers under section 11 of the Act?—Yes.

10,672. But you have not found that necessary?—No.

10,673. In other words, the members do what you tell them?—Yes, we have no trouble there at all.

10,674. Is there anything else you would like to add?—If there is anything procurable from the books it shall be procured, and sent along, because the society, as a society, is strongly in favour of the Act, and we only want to see it go along satisfactorily. Might I add this about the question of members not paying when they are sick. That is very disturbing to my committee, more particularly having regard to the fact that when the disablement benefit becomes payable, so far as we understand the matter, nobody need pay anything. What is of serious moment is the fact that members need not pay while receiving benefit.

10,675. That is certainly the case?—And when disablement begins to be in working order, you may

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have men go on benefit at 16 years of age, and never receive any contribution from them.

10,676. That is in the contribution. The contribution has been reckoned at a rate which will enable that to be done?—That is the difficulty. They do not think that it will meet it in my department. I am not speaking about the individual's unfortunate position. I am speaking about the society. The young fellow of 20 may live to be 70, and he need not pay anything.

10,677. But all insurances involve the idea that some people may be exceptionally fortunate and some exceptionally unfortunate?—Yes.

10,678. Every society will have to look for something of that kind?—I suppose that it will.

10,679. When 7d. was fixed upon as the contribution, do you not think that the actuary took into consideration the number of cases in which that kind of thing would happen?—I can only say that I have seen much later figures, which has quite upset the amount of money.

10,680. But was not the contribution reckoned having regard to the number of people to whom that would happen?—Exactly.

10,681. But it did not take account of a number of people who have succeeded in getting on to your funds through the action of the doctor, improperly?—No.

10,682. And you are trying to get rid of the proper claims—the young fellow who is going to be ill for 50 years—because otherwise you will not have enough to pay the improper claims the doctors are putting on to you?—I am hoping in a short time that there will be alterations made.

10,683. What we have got to do is to cure the other evil, not to set up a system to take away what the insured persons are entitled to?—I am only stating the result of the experience we have already had.

10,684. (*Mr. Warren.*) Your society only deals with men?—With both men and women. The figures there show that there are 4,000 women, but we have increased our female membership since then.

10,685. I take it that where a woman receives 5s. sick pay from the union and 7s. 6d. from the State, making 12s. 6d., that generally it approximates to their average earnings?—It would if you were to throw their earnings over 52 weeks.

10,686. I used the words "average earnings"?—They do not work anything like 52 weeks. There is a very great deal of difference. I have seen some figures showing that they are earning 25s. in a country section.

10,687. But 12s. 6d. would approximate to, or be somewhere near to, their average earnings?—Putting it in the words of our woman secretary, who has had the most experience, she says that having now 12s. 6d. it has made it worth the while of the women to go on to the fund, especially the married women.

10,688. Because in some senses she can effect some saving in her housekeeping?—Quite, and in the saving of having anyone to look after her children.

10,689. For the cleanliness of the house, the looking after the children, and so on?—Yes.

10,690. So that when she is in receipt of sickness benefit, she suffers very little financial disability?—That is so.

10,691. But in respect of your men your experience is fairly satisfactory?—The experience generally, despite some of these cases where we have had to take drastic action, has been that members are trying to carry out the Act, and to conform to its conditions. It would be better carried out, if we had more active support from the doctors.

10,692. May we take it that your rule governing the payment of sickness benefit is pretty strictly observed?—Yes.

10,693. What means have you of enforcing it? Your members have a pretty good knowledge of one another?—Oh, yes.

10,694. And would it come to the knowledge of the branch if there were much violation in the matter of this rule?—Yes.

10,695. And if so, you would punish the delinquent accordingly?—Yes, we should at once take action.

10,696. May we take it that you have a satisfactory system of sickness visitation?—Personally, I think so,

on the whole. I do not say that in every case it comes up to what should be the standard, but I think that on the whole it is carried out satisfactorily.

10,697. Would you tell us what you think would be a satisfactory system of sickness supervision?—I speak both as a trade union official, and as a very old friendly society officer. A sick steward should not only visit, but should visit in a very real sense. He should not hesitate, if he has any sort of doubt, in reporting the case to the secretary. If he gets a member who, he thinks, is likely to take advantage of the rules, he should visit that man at other times than what would be looked upon as the usual time for a sick visitor to call.

10,698. In other words, you would not go at a stated hour on a stated day every week?—I will give you a concrete case. One agent sent to me about a married woman. I said that, if she were breaking the rules, the most likely time to catch her was not to go to the home in the ordinary way, but between 10 and 1 o'clock in the morning. If there were any transgression, you would be more likely to find it at that time than any other time. That is what I think should be done, but of course that brings you back to the point whether you should have permanent sick stewards. I should advocate it where the societies are big enough, and I have advocated it in my own society. I know that one society has already appointed one woman steward.

10,699. You have had some experience of friendly society work?—Yes.

10,700. And you know the relation that existed between the branch and the doctor?—Yes, I was a member of one of the big medical institutes.

10,701. Would you from your past experience be of the opinion that it would be advantageous if that old connection could again be revived?—I think it was a very good principle. That, of course, is without committing myself to the sums of money, and that kind of thing.

10,702. And it would materially assist in checking undesirable claims?—I think that it would.

10,703. There was more or less an understanding between the doctor and the branch in the days gone by?—They had confidential relations.

10,704. Where members, and men particularly, are in receipt of both the union and the State pay, and are also members of a friendly society, then they are receiving a sum equal in most cases to their average earnings?—I should say that a number are, but I should not be prepared to agree that generally that is so. I have already said that our minimum rate, which means the slow men, is 30s., and their wages would be more than that.

10,705. How much is the benefit on your union side?—10s.

10,706. And on the State side?—10s.

10,707. And, generally speaking, the benefit from the friendly society is 10s.?—10s. or 12s.

10,708. So that it is always 30s. or a little more?—Yes.

10,709. It would lead to the question whether over-insurance was not a menace?—I do not think that that type of man would be so likely to take advantage of it.

10,710. Being a careful, thrifty man he would be almost above it?—I think so.

10,711-2. (*Mr. Wright.*) With regard to the independent sickness benefit of your union, a large number of your members are insured on that side as well as on the State side?—All of them. They are bound to be, are they not? There might be just a few represented by manufacturers or foremen who keep on for sentimental reasons.

10,713. I thought I had seen something indicating that it was optional for your members to pay for sickness benefit?—Only in this sense. If we had reason at the time a man was applying for membership to believe that he was suffering from some chronic disease, he would be allowed to pay in the trade department.

10,714. Have you found an excessive drain on your independent sickness fund?—Yes, this year.

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10,715. Since the National benefits became payable?—Yes.

10,716. Do you pay the first three days' sickness benefit from your independent sickness benefit fund?—Yes.

10,717. Is that first three days' sickness benefit at the 10s. rate or at the 20s. rate? Do you, besides paying the independent benefit for the first three days, also pay benefit for the first three days at the State rate? One of your members is insured for 10s. on the independent side and also for 10s. on the State side. Does he receive sickness benefit for the first three days at the rate of 10s. or 20. per week?—10s.

10,718. You do not make up the State deficiency?—Oh, no.

10,719. In view of your friendly society experience, and your experience now as an official of an approved society, are you of the opinion that the deprivation of the first three days' sickness benefit has a tendency to increase or decrease sickness claims?—I should not think that it was such a quantity as to be appreciable one way or the other. I do not think that it would make very much difference.

10,720. You would offer no opinion?—No.

10,721. (*Mr. Mosses.*) All the members on your State side have to be members of the trade union?—At the time of their application, yes.

10,722. In the case of any of them being expelled from the society, do you expel them from the State side?—I do not think that the Commissioners are prepared to give us that power.

10,723. Then it is quite possible for you to expel on the union side, and still to retain membership on the State side?—I do not know any case which has arisen on the other side, but there are cases in the big unions where lots of men run out.

10,724. I am speaking of those who run out involuntarily, those who are expelled for acting contrary to the society's interest?—We have not yet had a case of that particular kind to deal with.

10,725. Do I take it that those who run out involuntarily for arrears can still retain their connection on the State side?—Yes, the agents themselves are making a great many protests against being compelled to administer State benefits to men who use our offices, and will not pay to the other side.

10,726. Can you tell us whether you have more of those who have run out entitled to State sickness benefit than those who retain membership of both?—I could not answer that, but I should think that it would be so.

10,727. With regard to incapacity for work, would you pay if one of your State members were capable of following some minor occupation in connection with boot manufacture?—If it were asking that man to take a reduction in his wage, it would be a matter we should have to consider. We might say no, but we have never had a case happen of that kind. We have had a case where a doctor has said that a member might be able to do some light work, meaning some work outside the factory.

10,728. In that case would you refuse the benefit?—No, we should not refuse the benefit, but if he said that the man could do light work, we should then ask the member to declare off the fund.

10,729. Supposing he did not do it?—If he did not, and we were satisfied that he could do some work, I daresay that instructions would be sent for him to be examined by a special doctor, and then, if that doctor said that he was capable of work, his pay would be stopped.

10,730. (*Chairman.*) If he said that he was capable of doing light work, and light work only?—If he said that, and we felt that it was a case where he could do work, and he did not declare off, I have no doubt that instructions would be sent that he must be examined by a special doctor. If that doctor confirmed that, we should refuse his pay on the ground that he was recovered within the meaning of the word "recovered," and that he must declare off the fund.

10,731. (*Mr. Mosses.*) That would be irrespective of whether he could get this light work or not?—That would be considered before that would be sent. I do

not say that in a case like that we should peremptorily say that a man was bound to declare off immediately, because, if so, you would be inflicting a hardship upon the man.

10,732. As a matter of fact, you have no hard and fast line in connection with that point?—No, we have not.

10,733. A good deal of your excessive sickness may be due to the fact that you have men who are incapable of following their usual occupation though capable of following some, but they cannot get work at a lighter occupation. May we take it that that is so?—No, that is not my experience.

10,734. Have you a great number of outworkers in your society?—No, only in the Kingswood district immediately adjoining Bristol.

10,735. Do you find the average amount of sickness greater among the outworkers than among the factory hands?—There have been a great many complaints as to the difficulty of finding the cases out. There has been a good deal of irregularity with regard to the stamps.

10,736. Are these outworkers men or women?—In that district they are both men and women, but generally speaking, in other districts, with the exception of Earlsborton, they are men, except for the closing of the uppers, and that is women's work. That has always been looked upon for the past 25 years as the part of the trade belonging to the women.

10,737. You have no statistics as to the relative amount of benefit paid to outworkers and indoor workers?—No.

10,738. You have a great number of women members, some 4,000 or 5,000. Are they formed into separate branches?—No, excepting the Leicester No. 3 branch. That is the only women's branch that we have. All the other women members belong to the ordinary branches of the union.

10,739. Have they facilities for attending the branch meetings?—Yes.

10,740. Do they as a rule attend?—The Northampton No. 2 is the strongest branch we have for women. There are a great many more women there than in Leicester. I believe that they have meetings by themselves apart from the ordinary monthly meetings of the branch.

10,741. In any case are women ever elected to office?—Yes, we have had a woman a member of the executive council itself.

10,742. That was one single instance?—Yes. For the purpose of the election of the executive we cut the country up into eight districts, and as long as they are financial members, they are eligible for nomination and election, if the members think well to put them there, and in this particular instance they elected a woman to represent the district.

10,743. Do the women show any disposition to be elected on your central administrative body?—Not generally speaking.

10,744. Are they quite indifferent?—I do not, myself, find any great desire for direct representation, but branches which have considerable numbers of women do try and pick out women, apart from voting, to consult them upon points directly affecting women members.

10,745. (*Mr. Burn.*) You mentioned that during the last year your membership has increased by about 20 per cent.?—Yes.

10,746. To what do you attribute that increase?—Partly to the Act, and partly to matters connected with the industrial world, which have really nothing to do with this Committee, and which would take too long to explain. A considerable number, just at the inception at any rate, were due to the Act.

10,747. Do you consider that if in the future your membership on the State side increases, your membership on the private side will equally increase?—Yes.

10,748. You stated that for the first nine months last year the sickness benefit paid was 10,832*l.* and that for the first nine months this year it was 16,782*l.* You could not give us any actual particulars beyond that? I wondered whether you could tell us whether the sum of 10,832*l.* which you paid last year was excessive,

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[Continued.]

or whether it was well within the expectation?—About the normal amount of sick pay.

10,749. Normal in accordance with your previous experience?—Yes.

10,750. Have you ever had any investigation to see whether you were receiving the right amount of sickness for your contributions?—We have never, so far as actuarial soundness is concerned, professed to do that, but if our funds fall below a certain sum, we have a method by which the money can be raised.

10,751. You have never professed to be actuarially sound?—Not from an actuarial point of view, but if our funds fall below a certain sum we have an automatic method to put a levy on, and during the whole 40 years, we have never been called upon to put that levy on.

10,752. (Dr. Lauriston Shaw.) I suppose that you recognise that there are two great changes since the Act came into force with regard to sickness benefit: first, the doubling of the payment for sickness benefit, and, secondly, the method of dealing with the doctors?—It is doubling it in the case of our members, but it does not follow that it is doubling it generally speaking. It is so far as my society is concerned.

10,753. Those are the two things which have really been most effective in altering your experience?—I have no doubt that it has had an effect.

10,754. I wonder which of these two, the alteration in your relations with the doctor or the other, you would say had been the most effective cause of the increase in sickness claims?—I am bound to say that my experience has been that the doctors have given certificates too freely.

10,755. Would you not also think that now that a man has twice the amount of money when he is sick, it would induce him to claim a certificate from the doctor much more freely than before?—I said some time ago that I had no doubt that there was an inducement with the extra money for a person to declare on the fund, when they otherwise would not do so.

10,756. When an insured person is claiming sickness benefit, does he fill up any form and send it to you?—Yes.

10,757. Does it show what his average wages are?—No.

10,758. Does it give you any information whether he is insured for benefit in any other funds?—No.

10,759. Does it give any indication of the fact that he is only supposed to claim sickness benefit if he is totally incapacitated from work?—That is what we try to make it.

10,760. It does not tell him so on the form?—No, but that is what we think ought to take place, because a man or a woman, as the case may be, will often go to the doctor when they do not want to knock off entirely, but only want a tonic, and our experience has been that the doctors say, "You had better have a rest." As a matter of fact, several of our members have told the doctor that they did not want a rest, and that all they wanted was a tonic.

10,761. You suggest that the doctor asked them to have a rest, because he thought it was best for them?—I should not like to say that the doctor did not think that that was so.

10,762. You would give him credit for a desire to cure his patient?—I should not like to think that a doctor did not want to cure his patient.

10,763. If he thought that the rest was more useful than the tonic, he might suggest the rest rather than the tonic?—He might do so.

10,764. It would not be so satisfactory from the point of view of your funds?—No.

10,765. It would be a more expensive tonic in that respect?—I know that there is that side to the question.

10,766. There is one point which you have brought out in your outline of evidence: you would like the doctor to have an alternative form of certificate?—Yes.

10,767. You feel that if it were brought home that there were possibilities of certifying different things besides direct incapacity, it would help you to settle the question?—That is the experience of the department.

10,768. Have you got into communication with the doctors who are filling up your certificates, to discuss

this point with them?—Not that particular point, but we did in the early stages, when the doctors were not disposed to state what the member was suffering from, refuse to accept their certificates.

10,769. That was a professional point with them in the early stages?—Yes, and we insisted. The manager of the department says that in his judgment the word "debility" ought not to be accepted.

10,770. Do you think that some different wording of the certificate might lessen your difficulty?—Yes.

10,771. (Miss Ivens.) You had had considerable experience of friendly society work before the passing of the Act?—Yes, I have been through the whole of the offices of a friendly society.

10,772. And the doctor then was under the control of the society?—In my particular case that was so. My society was affiliated with a medical institute.

10,773. Under those circumstances, did you ever discover that your members obtained private treatment, or were they satisfied with this institute treatment?—I should think that it would be very rare that they transferred from the institute doctor to a private doctor.

10,774. You think that it was very unusual?—Yes.

10,775. And that they were quite satisfied?—Yes.

10,776. Do you think that the insured people are now getting better treatment under the panel system than they did under your former system?—I am not quite sure that I ought to answer that question. I do not like to refuse to answer, but I ought not to answer unless I have some very good ground.

10,777. You think that the doctors are giving certificates too freely?—Yes, I do think that, quite so.

10,778. Do you think that previously they would not give a certificate because they knew that, if they did, the person would almost have to starve? They may have thought that he required rest, but they knew that it was almost impossible for him to get it?—No, I do not think so. Confining myself to my own society and to another friendly society, it was astonishing, the number of dual certificates coming in, showing that they were always drawing two benefits.

10,779. So that you would also ascribe some of these excessive claims to the desire of persons to get double benefits, approximating to their ordinary wages?—I think it is the too easy way in which many of the medical gentlemen grant certificates.

10,780. Do you think that they are really giving them when a patient is not ill?—I think that they are giving them when the patient is not in such a state as to warrant his going on the funds. That is a very different thing.

10,781. You would not think that the doctor was really advising the patient with an idea of getting him well as quickly as possible?—I think that the doctors as a whole want to see the people get well.

10,782. You say that a good many of your claims come from married women, rather than from single women?—That has been the experience of the only woman secretary that we have.

10,783. Would that be because of malingering, or because the married women had more illness?—I do not like to have to come to the conclusion that there is deliberate malingering, but there is undoubtedly an additional inducement in the case of a married woman to go on the funds for 12s. 6d., because when she goes to work, she not only pays someone to look after the home, but also someone to look after the children. Therefore, knowing that she can do most of that herself when she is on the sick fund, when you take those sums off her wages she is practically as well off, if you look at it financially. I am talking of my own society, and I judge, from what I read, that it is so with many others. You cannot make the married woman understand that when she is on the sick list, she is not to do any work. That is the difficulty. She has it firmly fixed in her mind that work means going back to the factory. We say that there is plenty of work at home harder than factory work. There is, for instance, the washing. We have found that a number will insist upon doing their washing, and we have had to stop them. We say that that is as hard work as the work in the factory, but they say: "We are not at the

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[Continued.]

"factory receiving wages, and we are therefore not at "work within the meaning of the Act."

10,784. Do you think that before the Act came into force they went to work when it was detrimental to them?—Some of them did.

10,785. (*Mr. Watson.*) I think that it would be a great convenience to us if you could let us have the figures which you spoke of earlier?—You can have any figures available.

10,786. We might have the claims in each of the three quarters—no doubt you have a copy of the information you have already sent up—and the average in pence per week?—I will make a note of it.

10,787. For the moment, we may take it that the claims appear to be very excessive among both men and women?—That is what we think.

10,788. And that it is not by any means excessive claims of women only?—No.

10,789. Have you always on the private side had more or less difficulty in controlling claims?—No.

10,790-1. How far have you been helped by the special provision of rule 197 which limits the amount of sick pay which a member can draw to 35*l.* during his lifetime?—That does not operate very much.

10,792. It does not come into play very often?—Before I was general secretary, I was secretary of the second biggest branch in the union. It had about 4,000 members, and I think there were three members with regard to whom it operated.

10,793. You mean that three members had run up to the limit?—Yes.

10,794. But is it not in the minds of the members, that 35*l.* is all that they can draw during their lifetime?—I do not think so. I do not think that it operates in any case at all.

10,795. It does not influence them?—No, I do not think that it has the slightest influence upon them.

10,796. Did you not find in your friendly society experience that the sickness claims of boot and shoe operatives are always very much above the average?—My experience was absolutely in a boot and shoe town, so that I could not quite compare them. Previously to living at Leicester, I was living at Northampton where it is absolutely the staple trade.

10,797. Was it a registered society?—I belonged to the Ancient Order of Foresters.

10,798. Was the sickness experience in the locality excessive compared with the valuation estimates?—I do not think so.

10,799. I suggest that this excess is not absolutely new with national insurance, but that in comparison with the general average of friendly society members, it has been common among boot and shoe operatives for a very long time?—There is no doubt that consumption is very common. We know from the fact that the Home Office have gone so far as to conduct an inquiry that we are very hard hit there.

10,800. If there are any special conditions affecting your particular trade producing excessive sickness, does it not perhaps point to the unwisdom of a system of insurance that brings all the members subject to one kind of risk into the same society instead of spreading them over all the societies?—You are coming to the question of a national insurance scheme apart from the societies? This only indirectly concerns the question before us, but as you have mentioned it, perhaps I may be allowed to state that although there is a great difference on the sickness side between last year and this year, as shown by the figures of 10,000*l.* and 16,000*l.*, on the out-of-work side there is only a difference of 700*l.* on the same membership.

10,801. (*Chairman.*) A rise of 700*l.*?—Yes, a rise of only 700*l.* on the out-of-work side. That is why we think that it has affected us so on the sickness side, and that it is not some abnormal amount of sickness, that has suddenly arisen in the trade. The conditions in the trade have been normal during the year.

10,802. (*Mr. Watson.*) Do you think from your experience that national insurance is most efficiently conducted when the people who follow certain trades are grouped together in trade societies? Do you think that system is a good one from the point of view of national insurance?—If you are asking me my own personal opinion, of course I am in favour not only of a State medical service but also of a national insurance scheme run by the State, and I think it will come to that, but pending that I think that the present method is working as satisfactorily as you could expect it.

10,803. Do you think that the excessive sickness from which you suffer is entirely such as ought to cause a special levy to be laid upon the members?—No, I do not.

10,804. You do not consider that it is entirely due to malingering?—Oh, no.

10,805. And not entirely due to preventive causes?—No, it is not entirely, but a good deal of it could be prevented, and when the machinery is in proper order in backward districts from a sanitary point of view, I am hoping a good deal may be done.

10,806. You are speaking of section 63 of the Act?—Yes, the prevention of illness.

10,807. But a good deal of your excessive sickness is due to causes other than abuses of the funds by your members?—Oh, yes.

10,808. You have some 4,000 women members in England. How many of them do you think would be married?—I cannot tell you. We do not take any account whether they are married or single.

10,809. But the membership is scattered all over the villages of Leicestershire and Northamptonshire?—Yes.

10,810. And the married women include a large number of outworkers?—They would in the villages.

10,811. Women will go into Leicester, and get a supply, and take it home and do the finishing?—Oh, no; it would be very rare to find a woman finisher in Leicester. What happens is that women in the villages take work out from the factory, which is in the village, and do closing at home, but still in the village. The industry is so developed that many of them work in the factories.

10,812. For many years there have been a great many women working at home in the villages in Leicestershire. I suppose that there must be some of those among your members?—Yes, some of them.

10,813. Are they not the most difficult class to supervise?—Yes, I said that one of our difficulties with the outworkers is to supervise them.

10,814. Would you go so far as to suggest that married outworkers can hardly be dealt with on the basis of insurance at all?—No, I do not think that I would like to do so without thinking about it.

10,815. You have insured them in the union?—Yes, we take all the members on the industrial side for State purposes, if they think well to adopt the society as their approved society.

10,816. Before national insurance the evil of malingering, because these women were insured for so little as 5*s.*, tended to cure itself. It was hardly worth knocking off work for the benefit?—That was so.

10,817. It is the addition of the State benefit to the insurance previously, whatever that was, which has created the whole difficulty of over-insurance?—It has brought about a greater inducement to go upon the funds.

10,818. (*Chairman.*) You have used the word "branch" several times in the course of the afternoon. The branches you speak of are unregistered branches, are they?—Yes.

10,819. The society is not organised like a friendly society with registered branches?—No, we are one society, but we do the business through the branches of the union.

10,820. For financial purposes it is all one body?—That is so.

The witness withdrew.

FOURTEENTH DAY.

Thursday, 27th November 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT:

SIR CLAUD SCHUSTER (*Chairman*).

Mr. J. BURN.
Mr. WALTER DAVIES.
Miss M. H. FRANCES IVENS.
Miss MARY MACARTHUR.
Mr. WILLIAM MOSSES.
Dr. LAURISTON SHAW.

Mr. A. H. WARREN.
Mr. A. W. WATSON.
Dr. J. SMITH WHITAKER.
Miss MONA WILSON.
Mr. WALTER P. WRIGHT.
Mr. ALEXANDER GRAY (*Secretary*).

Mr. C. BUNCH (*Assistant Secretary to the Hampshire and General Friendly Society*) examined.

10,821. (*Chairman*.) Are you assistant secretary of the Hampshire and General Friendly Society?—I am.

10,822. That, I think, was a friendly society registered under the Friendly Societies Act to carry on friendly society business before the passing of the Act of 1911?—Yes.

10,823. Then it established an approved separate section for the purposes of the National Insurance Act?—Yes.

10,824. How many persons are insured in the parent society for sickness benefit?—7,584 in the assurance section.

10,825. Does that include both men and women?—That is assurance members only. We have very few women who are insured for sick pay under the assurance section. That was dropped many years ago owing to the excessive claims.

10,826. There are some still left?—Yes, but very few.

10,827. Women who had come on insurance benefit before you dropped it out?—Quite so.

10,828. On the State side how many are insured?—The actual number of cards sent up at the end of the July quarter was 10,643 men, and 2,828 women. That is slightly less than the number sent up in the March quarter. There are probably a few more cards to come in.

10,829. There were about 13,500 members of both sexes?—Yes.

10,830. Does the society carry on business in the four kingdoms, or is it only approved for England?—It is only approved for England.

10,831. What are the sickness benefits insured in the parent society?—Any amount up to the average earnings.

10,832. The member chooses his amount?—Yes.

10,833. And pays his contribution accordingly?—Yes.

10,834. You carry on business only in England; do you carry on mainly in Hampshire and the surrounding counties?—In Hampshire chiefly. We have two branches in London, one in Oxfordshire, two in Sussex and one in Berkshire.

10,835. Where is the central office?—In Winchester.

10,836. What class of persons do you generally get?—Agricultural labourers generally throughout the county. Of course we have a good many members in Portsmouth and Southampton.

10,837. Dockyard people?—Yes, and seafaring people in general.

10,838. At what are your 2,000 women employed?—At various occupations. A great many of them are domestic servants.

10,839. Have you any idea how many are married, and how many are single?—I am afraid not.

10,840. You are getting that information for your reserve values?—Yes.

10,841. You have not completed it yet?—No.

10,842. From your experience would you say that claims are being made on the State side which are unjustifiable?—It is very hard to answer such a question as that, because we get a medical certificate in every case. We fancy that some of them are prolonged, but when we have the medical certificate we have to take that as correct.

10,843. Do you question the medical certificate sometimes?—We have done so in several instances, but the medical gentlemen adhere to them.

10,844. The question is a general question, and only admits of a general answer. What is your general objection?—That the sickness is prolonged, compared with what it was before the commencement of the Act.

10,845. People stop on the fund longer?—Yes.

10,846. Do they come on the fund more?—Yes. I can give you the number in the parent section which declared on the funds for each month of the present year, compared with the corresponding number last year. In January this year there were 354 fresh cases declared on, against 336 in the previous January, or an increase of 18 only. In February the numbers were 413 and 476. In this case there was a decrease of 63, which is very curious, and we cannot account for it at all. It is the only decrease. For March the figures were 393 this year, and 299 last year, or an increase of 94. In April there were 353 this year, and 220 last year, or an increase of 133. In May the figures were 342 and 195, or an increase of 147. In June the figures were 216 and 160, or an increase of 56. In July they were 216 again and 190, or an increase of 26. In August they were 222 and 174, or an increase of 48. In September they were 248 and 206, or an increase of 42. In October they were 287 and 236, or an increase of 51. There was an increase of 615 cases, and there was no decrease except for February.

10,847. Have there been more members in the latter period?—Slightly. When the Act came into force we had a few new members, but nothing in proportion to the increase in the sickness cases, and neither has there been any abnormal sickness.

10,848. Are your 7,250 members of the parent society mostly State insured on the approved side, or insured with other societies?—I think the majority of them are insured with us.

10,849. Some, I suppose, are uninsurable under the National Insurance Act?—A few.

10,850. Some have gone elsewhere?—A few have gone elsewhere. I can now give you the increase in the sick pay for the two quarters of this year on the private side. March quarter, 1913, 3,455*l.* 11*s.*; March quarter, 1912, 3,074*l.* 9*s.*; increase 381*l.* 2*s.* June quarter, 1913, 3,002*l.* 16*s.* 9*d.*; June quarter, 1912, 2,304*l.* 4*s.* 5*d.*; increase 698*l.* 12*s.* 4*d.* September quarter, 1913, 2,307*l.* 13*s.* 9*d.*; September quarter, 1912, 2,088*l.* 4*s.*; increase 219*l.* 9*s.* 9*d.* Total increase in the three quarters 1,299*l.* 4*s.* 1*d.*

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[Continued.]

10,851. Could you give us in reference to the approved society the amount that you have actually paid out during the nine months this year, and the cost per member?—I have not worked out the cost per member. Of course the Commissioners told us to calculate at 3d. for men and 2d. for women.

10,852. As the amount you might draw?—I have made a calculation on that point which shows that we have a gain on each of these heads, as far as the State insurance is concerned.

10,853. Let us have that?—For the first quarter at 3d. per member per week for the men, we should be entitled to claim 1,764l. 8s. 6d., and we actually paid out 1,513l. Taking the women at 2d. per member per week, we were entitled to 315l., and we paid out 164l. For the July quarter for men, 1,729l. was the calculation, and we paid 1,283l. For women the figure was 306l., and we paid out 267l. For the October quarter the calculation was for men 1,104l., and for women 238l. We have not got the accounts fully made up yet for that quarter, but what we have actually paid is considerably less than that.

10,854. You notice that in the case of the men there is a drop, steadily, all the time; in the case of the women it goes up, and then drops again, though the third quarter is not so low as the first quarter?—Yes.

10,855. Have you any observations to make on that?—No. We think that the claims are legitimate, as far as we can ascertain.

10,856. You say that you do not know how many of the women are married, and how many are single. Can you say how many maternity benefit claims were paid in respect of the women's insurance?—I am afraid not. The maternity claims for the women alone are very low.

10,857. What proportion of your 2,828 women are domestic servants?—I cannot say. I have not taken out any statistics of that kind.

10,858. What would you say as to the attitude of mind of the insured people?—As far as I have come across them, I think that they say that this is a State business, and that they are going to get all they can out of it.

10,859. That is the sort of thing you might read in the papers?—We get it in conversation with members. Many members have told me that.

10,860. Do members come to see you?—No. I go among them.

10,861. Do you go round to the lodges yourself?—No, but in getting about the county myself, I come across different members, and our agents tell us so in different places.

10,862. They do not realise that it is their own money upon which they are drawing?—That is the point that they ought to be educated upon, that they are hurting their own society by these long claims.

10,863. In reference to over-insurance, you say that people can insure for whatever sum they like?—Yes, in the ordinary section. Rule 50 of the rules of the society governs that. No member is to be in benefit for any amount more than his average earnings.

10,864. What are they generally insured for?—For all amounts, from about 4s. to 3l. or 4l. We had one who was insured for a little while for 5l.

10,865. What was he by trade?—A physician.

10,866. He does not come into this business?—No. Our agent at Portsmouth yesterday brought to our notice a case of a man who is insured with us for 1l. 1s., and with the Oddfellows for 1l., and who is insured under the State for 10s. He has gone on for a chill, and we are very doubtful whether he has got anything the matter with him, but he is better off when he is on the sick list, than when he is at work.

10,867. What is he by trade?—He is employed in the dockyard.

10,868. What wage is he making?—2l. 2s. We had a case the other day at Alton of a member who was receiving 32s. a week from various societies, and whose earnings are 18s.

10,169. That is a very serious case?—Yes. We sent a sick visitor to this man, and he immediately went off, showing that he need not have been on. He was getting the medical certificate all right.

10,870. Do you think that there are many cases in which a man is insured on the private side up to the full amount of his wages?—I think that we have a good many.

10,871. Apart from the 10s. on the State side?—Yes.

10,872. All those people are much better off when they are on the funds sick?—Yes. We had another case outside Winchester of a person getting a great deal more when on the sick list than when at work. Consequently he was on month after month. We wrote to the panel doctor, and he was immediately put off, showing that the doctor had signed the certificates, until we called his attention to the case.

10,873. Do you keep a special watch on these cases?—We have a return from each agency every week, of the members drawing sick-pay from the parent society, and we repeatedly send out a sick visitor to see them.

10,874. Does that report from the agent show the man's wages?—No. It is simply a return of the men who have gone on and gone off. It does not tell anything about their earnings.

10,875. I suppose that the agent really knows the people who are over-insured, and calls your attention to them?—Not very often.

10,876. How do you get on the track of these cases?—We generally look up the book to see what they are insured for. If the agents know a bad case, they will let us know.

10,877. Have you any experience of past claims which causes you to think that there is any intimate connection between over-insurances and claims?—Yes. An extract from the report of the societies' actuaries, Messrs. Watson and Son, for the year 1899, deals with that point. It says:—

"Whilst the supervision is now believed, in the main, to be effective, there is still ground for believing that the society is burdened with a certain quantity of claims, from which, legitimately, it should be free. It has sometimes been found that sickness claims are influenced by the amounts of benefit assured, and that the increased attractiveness of a high benefit will result in an undue proportion of claims for such benefit in comparison with those for an assurance of smaller amount. With a view to determining whether, and how far, this influence might affect the Hampshire Friendly Society an investigation has been made of the claims in classes corresponding with the amounts assured, and the results of this investigation are shown in Table 7. The classes of benefit have been divided into six groups, and the actual claims in each compared with the expected on the 1876-80 standard. Quarter-pay may in this connection be disregarded, but as regards full and half-pay the following significant results are found—

"In the group comprising full benefits of:—

" 2s. to 6s. the full pay has been 75 per cent. of

" the standard and the half pay 36 per cent.

" 7s. to 8s. the full pay has been 77 per cent. of

" the standard and the half pay 86 per cent.

" 9s. and 10s. the full pay has been 85 per cent.

" of the standard and the half pay 153 per

" cent.

" 11s. and 13s. the full pay has been 90 per cent.

" of the standard and the half pay 96 per

" cent.

" 14s. and 16s. the full pay has been 100 per

" cent. of the standard and the half pay

" 150 per cent.

" 18s. and over, the full pay has been 134 per cent.

" of the standard and the half pay 196 per

" cent.

" In presenting this statement it should be explained

" that all transfers to higher scales of benefit have

" been duly taken into consideration.

" Thus the pressure of full-pay claims has advanced

" without a break as benefits have increased, whilst that

" on half pay shows more than a tendency in the same

" direction. Either therefore additional liability from

" occupations or other causes attaches to the assurances

" of higher amount—which is not inherently probable,

" although such extra liability may exist to some extent

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"—or the substantial amount of the benefits tends to suppress the common incentive to the return to working life after brief periods of sickness. In either case it is evident that special attention should be directed to the claims for the higher benefits. The contributions are strictly proportionate to the benefits assured, and if the claims for the higher benefits are permitted to rise persistently above the general average, it is but just to the other contributors that the members assured for such benefits should pay by a specially increased table of contributions."

10,878. What action did you take under section 72 of the Act?—We adopted a provisional scheme allowing members to reduce their contributions, but seeing that the benefits given by the old society were far beyond those given by the State, we did not compel anybody to reduce the amount. In fact very few of them did. Only 709 reduced.

10,879. Did you not realise that it was running a very heavy risk?—We did not at the time.

10,880. Apparently you are not spending as much as you feared you would have to spend, but still it was a heavy risk?—It was.

10,881. You had this warning of Messrs. Watson before you?—Yes.

10,882. What made you come to the conclusion not to do anything?—The benefits under the old section were so far in advance of what they were getting under the State, so many of them were insured for pensions in connection with the sick pay.

10,883. Was it impossible to cut down the sick pay, and leave the pension standing?—That has been done.

10,884. Would it not be possible to persuade them to accept a scheme which merely cut off 10s. sick pay?—We sent out circulars to all.

10,885. You could not compel them to do it?—We could not.

10,886. What will happen when a period of bad trade comes on?—I do not think that we shall be affected, because we are chiefly agricultural.

10,887. Do you think that they will keep up that heavy payment?—I think so.

10,888. This over-insurance affects practically men only?—Yes. The women are, of course, not affected by it, except that they belong to our deposit system in many instances. We have a deposit system, in which we take women for sick pay.

10,889. How many women have you got in that?—I have not got the actual figures, but we have a great many.

10,890. That is the system by which you pay half?—Not exactly half. The men go into class A up to 3s. and draw 3d. of their own money, and 9d. from a common fund. The women are not allowed higher than class B, where they draw 4d. from their own fund and 8d. from a common fund.

10,891. What is the contribution that the men pay on the private side?—It is shown in the tables drawn up by Messrs. Watson.

10,892. What is the average wage of the Hampshire agricultural labourer?—It is rather low in some districts. It varies from about 13s. to 23s.

10,893. How does the agricultural labourer manage to stand the weight of it, besides having 4d. deducted from his wages for State insurance?—That is a puzzle to us—how they manage to live at all in many cases. Where they get the contributions to pay this I don't know, but they do manage it. The wives go to work in a great many cases, and they get a little extra in this way.

10,894. Do you get many lapses?—Yes. We have got a good many this year.

10,895. Is there a substantial profit from these lapses?—Certainly. Last year in the assurance system we had 468 members lapsed out of about 10,000, and in the deposit system we had 257 lapsed.

10,896. Coming to the question of the doctors, you had medical benefit in the past?—Yes, but that was managed locally. Each agency made its own medical arrangements.

10,897. Are the agencies branches?—Not separately. We are a centralised society, but carry on through agencies.

10,898. The whole thing is pooled?—Yes.

10,899. Each agency has its own medical officer?—Yes.

10,900. Was the contribution also a general contribution?—No. It was quite a separate contribution.

10,901. Paid separately to the agencies?—Yes.

10,902. What was the contribution?—4s. or 5s. per head.

10,903. Was it necessary for every member of the society to pay to that medical fund?—No. They were not compelled to pay for the doctor.

10,904. Do you know how many did?—No. We have not that in the head office at all. That is all managed locally.

10,905. Had you this arrangement in Winchester?—Yes.

10,906. Was the agency doctor appointed by the agency?—Yes. Roughly, I think about 75 per cent. paid for the doctor in Winchester.

10,907. How many people have you got in the Winchester agency?—There were 942 last year.

10,908. And 75 per cent. of these paid towards having a doctor?—Yes.

10,909. What was the actual process of appointing the doctor?—He was appointed by the agency committee.

10,910. That was a committee elected by the members?—Yes, the members of that agency. They have a committee of their own to manage each agency, and they appoint their own doctor.

10,911. They appointed him at a rate which took the whole of this 4s. or 5s., and it went straight into his pocket?—Quite so. The rule is that the medical officer of the agency shall be appointed by the agency committee, subject to the confirmation of the central body. In Winchester the amount was 5s., and they paid the whole of it to the doctor.

10,912. Was there only one doctor?—No. There were three. The member could select which he liked.

10,913. Could he change his doctor?—He had to give notice. About three months' notice was expected.

10,914. The society only paid sickness benefit on the doctor's certificate?—Quite so.

10,915. Did they accept any certificate, or only the certificate of the agency doctor?—Any certificate.

10,916. Did the agency doctor, when asked, attend the meeting of the agency?—If he was asked. I do not think that it was usual for him to be asked.

10,917. How did the system work?—Very well indeed.

10,918. You liked it?—We liked it.

10,919. Did the members like it?—Yes, very well indeed. There was no difficulty whatever.

10,920. Did the same men who attended the members of the society also attend their wives and children?—In most cases.

10,921. On what terms would he attend them?—The wives and children of the poorer classes belonged to the provident dispensary.

10,922. There is a good deal of that work done in Winchester?—There was, but it is very small now since the Insurance Act came into force. Before that there was a very strong provident dispensary.

10,923. Coming to the question of the attitude of the profession towards the Act, first, how many doctors have you on the panel in Winchester?—I think about six.

10,924. There was a little trouble at first?—There was.

10,925. That trouble has all passed away long ago?—Yes.

10,926. There are as many on now as you want?—Yes. Our members make their choice.

10,927. I suppose that the three men who attended the lodge before are on the panel?—Yes, and they have got the greater number of members.

10,928. So the three doctors, who attended the members before, are there to attend them still, and three other gentlemen besides?—Yes.

10,929. You have these three old friends whom you have known for a long time?—Yes.

10,930. How have you found their attitude?—There is nothing to complain of at present.

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10,931. They give certificates when expected?—There is no difficulty now. They did not want to give weekly certificates, but we insisted on it.

10,932. Did you have weekly certificates before?—Yes.

10,933. Why did they object to give them under the Act?—Because we do not engage them now; but we did then.

10,934. You find that the period when people were talking about masters and interference is passing away?—Yes.

10,935. They recognise the business principle?—Yes.

10,936. You find that they are giving proper certificates?—Yes. There is no difficulty now. If there is anything wrong, we send it back to have it made right. We insist upon the illness being given on the certificate.

10,937. Why had you to insist? In your case there was hardly any break between the old agencies and the new system?—They thought that they had got rid of us altogether, and they would only give us a going-on and a going-off certificate. In fact, I believe that the auditors are reporting us for not having got a certificate weekly in accordance with our rule.

10,938. Outside Winchester is there the same sort of position?—Yes. There is no difficulty whatever.

10,939. Because you were referring to cases of people being on the funds who, you thought, should not be on the funds?—Not people who should not have been put on, but who were kept on longer than was desirable.

10,940. Would you have found that in the past?—Occasionally.

10,941. It is practically the same thing as before?—Yes, except that it goes further. There is a little more inducement to stay on longer; and no doubt in many cases the doctors want to show that they have done a lot of work up to the present for the money they are getting.

10,942. Of course they have got a great deal more work to do?—I do not see it.

10,943. Take your three gentlemen in Winchester?—They have got more cases, but they are all paid for. One of them has got a lot to do.

10,944. If you had three people before whom you could depend upon to attend your 750 people or thereabouts in Winchester, those three people with the three others added have now to do the whole work of the insured population of Winchester, a great many of whom were not attended before, or were only attended through charity?—Yes. A great many of them were getting it through the dispensary.

10,945. The dispensary was doing the same for the women and children besides?—Yes. They had a separate scale for men belonging to societies, and they charged more for the women and children of men who did not belong to societies.

10,946. Have not the doctors been hustled in the beginning in Winchester?—Probably.

10,947. Do you want to go back to the old system?—I think it would be to the advantage of the friendly societies if they did.

10,948. Do you think that it would be to the advantage of yourselves, where you have got some outlying members in a village district?—We had a central medical fund to deal with these cases, and we paid the doctor so much per visit.

10,949. Would it not be a very cumbersome system?—We did not find it so.

10,950. But it is much more extensive now than before. You have got more than twice as many members to provide for, and all taking medical benefit?—But we found no difficulty. Those visited outside the agency paid a little more, 6d. per month, and we paid the doctor so much per visit, and so much for medicine.

10,951. What about the members? Do you think it would be equally good for them?—I think that they would prefer it, because they knew that they were going to get attention then.

10,952. But under the general system they were not paid so much per visit. They were paid under contract, so much per person?—Quite so.

10,953. The people at any rate liked that. Do you think that, good as it was, it is better now?—I do not think that they are getting more attention.

10,954. Do you think that they are getting as good attention?—I think so. I have heard no complaints.

10,955. Your society is centralised, and all the funds are pooled?—Yes.

10,956. But you keep agents about the place, wherever you find it necessary?—Yes.

10,957. Some of your members are scattered far away, persons who have migrated?—Yes, in all parts. We have members in Scotland and Wales, but we are not an approved society for these countries. They just happened to go there. Of course we were notable to take them into the approved section, though they wished to come to us.

10,958. When a member falls sick, what does he actually do to get sickness benefit in the State section?—We have a sick-pay form, and he first goes to the agent and gets this form.

10,959. Where does the agent in fact reside? Is there an agent practically everywhere where the society does business?—Everywhere we have an agency. If the member is living a distance away, he has to write to him to get this paper.

10,960. Are most of the members within reach of an agent?—The majority are. The agents are elected by the committees of the agencies.

10,961. How is the committee selected?—By the members themselves meeting together.

10,962. As if in a lodge?—Yes.

10,963. Do they meet for the purpose?—Yes. We have one instance where we could not get a number of members to meet together, but in all the other instances they did so.

10,964. Does the rule require a quorum?—Rule 27 says that three shall form a quorum of the agency committee, but I do not think that it is necessary for any special number of men to be there to elect the committee.

10,965. How many will there be on the agency committee?—As many as they like.

10,966. Are they all appointed from their own number?—Yes.

10,967. Have they any honorary members?—Yes.

10,968. Do the honorary members pay a subscription?—Yes, 5s. or more.

10,969. What sort of people are they? Have they a president and vice-president?—Yes. Our president is Mr. G. H. Pember, of Fair-Oak Park. Our vice-president is Colonel Simonds, who lives outside Winchester, and has been connected with us for many years.

10,970. Are the members of the committee paid?—No. They are paid railway fare.

10,971. Is the agent paid?—We pay him a shilling a year per member.

10,972. Has he to collect the cards?—Yes, and pay the sick pay.

10,973. And distribute the cards?—Yes. We have allowed 5d. extra in addition to the shilling for postage and so on.

10,974. Did the shilling originally include postage?—Yes, it was supposed to, but we made an allowance of 2d. some months ago, and only this month the committee allowed another 3d. The agent is allowed a shilling for each new member as well.

10,975. I suppose the agent is a labouring man like the other people?—No, he is generally a small tradesman or the schoolmaster.

10,976. Is he an insured person?—As a rule, but not necessarily.

10,977. Is he a member of the society?—Yes.

10,978. He does this work when you ask him?—Yes.

10,979. Does he have to attend the agency office at any particular time?—Where there is a large agency he would attend at a particular time. In the small agencies in many cases the schoolmaster is the agent.

10,980. He is the medium of communication with the members?—Yes.

10,981. The members cannot get into direct touch with the head office?—They do pretty often. They

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send to us first, but we send the papers back to the agency with instructions as to what they should do.

10,982. The agent actually pays the benefit?—Yes.

10,983. You put him in funds for that purpose?—Yes. We have the advice note. He sends the medical certificate on the form issued by the Commissioners, or on our own yellow form, and we send him back the advice note telling him what he may pay.

10,984. Does he suggest that a case is suspicious?—If we had one, I think he would.

10,985. Suppose there is any trouble with the doctor as to the form of the certificate, does he communicate with the doctor?—We have dealt with the clerk to the Hampshire Insurance Committee in Winchester.

10,986. I can imagine cases that do not get so far?—We have not had any complaint outside the county of Hampshire.

10,987. Suppose you found that anybody stuck on too long, is it you or he who first calls attention to the fact?—He generally drops us a line, and we send a sick visitor. We have not appointed sick visitors for the State section, but use our ordinary section men.

10,988. In the ordinary section are there sick visitors covering the whole country over which you operate?—No. Originally, we had a dozen put in various parts, but we have not so many now.

10,989. How many have you in Winchester for example?—We have one at the present time.

10,990. Is this sick visitor a man or a woman?—A man. We have not appointed a sick visitor under the Act. We have no powers under the rules at present. It is one of the omissions. We have got a note of it.

10,991. When is the next meeting?—A special meeting should have been held this Wednesday, but, by consent of the Commissioners, it has been postponed.

10,992. Does nobody watch the members on the sick fund to see that they are really sick, and that they are not breaking the rules?—The agent looks after that where there is one.

10,993. But he cannot look after the women?—He is not allowed to visit them officially but he keeps his eye on them.

10,994. It is the women whose claims have been going up since the first quarter?—Yes, but they are not at all excessive.

10,995. You have long experience of sick visiting in the past?—Yes.

10,996. Do you attach importance to it?—Very much.

10,997. Do you not think that you ought, if possible, to institute a system of sick visiting?—It has been mentioned at our meetings.

10,998. It is not because you dislike the system that you have not adopted it?—Not at all. We have got great advantages from it in the past.

10,999. You will be careful, no doubt, when you do adopt it, to appoint women to look after the women?—Quite so. Of course, the Act itself says that.

11,000. There are other reasons besides that?—Quite so.

11,001. Have you employed a medical referee in the past in the parent society?—We had a consulting physician to whom we referred any cases, and he has been appointed on the State side.

11,002. Is that gentleman in Winchester?—Yes.

11,003. Can you use him for cases that occur in Portsmouth, or in the branches?—Yes. We pay the railway fare, if we bring the member up to see him.

11,004. Do you frequently bring up people on the approved society side?—Very seldom. We have not had a case to refer to him yet.

11,005. How is this gentleman paid?—What he has already in the ordinary section is 1*l.* for each person examined.

11,006. He has not examined many cases?—Not many, only two cases in the last two years.

11,007. And no case at all in the State section?—That is so.

11,008. Is he a gentleman in practice as a consultant?—Yes.

11,009. Does he do nothing but consulting work?—He has a private practice of his own in Winchester.

11,010. Suppose that a general system of medical referees were adopted all over the country, would you welcome it, if it were set up outside the society?—The society decided the other day that they would not entertain it.

11,011. What led them to that conclusion?—They did not think it necessary. They did not think that it could be done without extra expense, and they did not see why they should pay.

11,012. They did not see why they should pay for other people, who could not safeguard themselves?—Yes. I think that that was their idea. I cannot tell exactly what was in their minds.

11,013. If you have to pay 1*l.* and railway fare at present, if you want a person examined, the expense is pretty heavy?—Yes.

11,014. Suppose some other authority than yourselves were going, whether you liked it or not, to set up a medical referee, would you prefer him to be appointed by the local insurance committee or by the Commissioners?—When I say appointed I mean so as to be responsible to the body appointing?—I think it would be better for a body outside the society to appoint a referee.

11,015. Having taken it from the society itself, would you prefer it done by the Commissioners or the insurance committee?—I do not know that I have any opinion as between the two.

11,016. Would you prefer somebody who was engaged in practice in the area, or would you prefer somebody who was taken out of practice, and became practically a whole-time servant of some body?—I do not think that it would make much difference, if he had not too big a practice. Of course if he had a large practice, he would not be able to do it.

11,017. Did you have a medical examination of applicants for membership?—No, except in this way, that we had a form of application, and if the answers to questions were not quite satisfactory, we asked for a medical certificate. We have many cases where we have them.

11,018. Did you make any difference between people already on your private side, and people outside?—Yes, we took those very broadly without a medical examination, because we had had a thorough medical examination when they were admitted.

11,019. Did you reject any people who applied for admission outside?—A few.

11,020. What sort of proportion?—Probably about 2 or 3 per cent.

11,021. You had a real test?—Yes. We went thoroughly into all of them. The result of our sickness, I think, shows that.

11,022. Do you think that that is one of the reasons why your sickness is as it is?—I think that that is one of the reasons.

11,023. To what other reasons do you attribute your favourable situation: first, you selected your lives carefully?—Yes.

11,024. What is the next reason?—The healthiness of Hampshire. Of course, sickness has been going up for many years.

11,025. To what do you attribute that?—I cannot say. It has got now to 11 days 11 hours. The year before was the highest, 11 days 18 hours. It has gradually gone up since 1893. Of course those previous high figures were when the influenza epidemic was about.

11,026. Those causes which tend to send your rate up have, as far as one can judge, operated all over the country?—Yes.

11,027. You point to what has happened since the Act, and say that there has been a considerable increase?—Yes, beyond that of last year.

11,028. (Mr. Davies.) I think you said that on the State side the average payment for males was under 3*d.* per member per week, and the average for females was under 2*d.*?—Yes.

11,029. You have also stated that you have over 11 days average sickness on your ordinary side?—Quite so.

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11,030. Does the average on the State side of 2d. and 3d. approximate to the 11 days' experience on the ordinary side?—I have not worked it out.

11,031. If, on the State side, it does not approximate to 11 days, and on the ordinary side your experience is over that, according to the figures which you have given for this year, can you give us any reason why the ordinary side should suffer, and not the State side?—Because the ordinary members have got the State in addition. It is the over-insurance again.

11,032. Does not this occur, that if you have an experience of 11 days or more on the ordinary side, and if you have the same people on the State side, the same experience should be experienced; you say that 80 per cent. of your members are members of both sides?—Yes.

11,033. And I think that you have already said that nearly the whole of your members have already paid the 4d. on the private side?—Yes.

11,034. That being so, the people from whom you are having this heavy experience, being members of both sides, are claiming for both sides?—Quite so.

11,035. If such is the case, why should the experience of the ordinary side be so heavy, showing an increase of 1,200%, while the other side is drawing less than the average allowed by the State?—Of course we have got the three favourable quarters in the State section, and the worst quarter is coming on.

11,036. Yes, but the figures you have given are for the same quarters, and acted concurrently. Could you tell us why, having this abnormal experience above the 11 days on the ordinary side as shown by your report, there should be this favourable experience on the State side?—I cannot tell you that.

11,037. I notice that you say that you have instances where the claims were considered to be unduly prolonged: how many of those claims have you had?—Not many.

11,038. Would that be a reason for some of this extraordinary sickness?—Yes, it would, to a certain extent. It would not affect it very much.

11,039. Would that mean that people are stopping longer on your ordinary side than they used to, by reason of being able to get both benefits?—Yes.

11,040. You think that that would account for it?—To some extent.

11,041. But it would not affect it very much?—It would not.

11,042. Could you give us an average?—Not without getting out the figures.

11,043. The evidence which has been brought to your notice on this point would be rather on the ordinary side than on the State side, having regard to the evidence which you have given us?—Yes.

11,044. So that you have no complaint practically speaking with regard to the State side, of prolonged sickness which affects the average?—I do not think so, nothing very bad. Of course we have a few cases.

11,045. When asked with regard to the principles of insurance you said that this is a question with regard to which education is urgently required?—Quite so.

11,046. What steps have you taken to educate the minds of the people?—We told our agents to point out that, by staying on too long, they were hurting themselves through the society.

11,047. You have not put anything in the hands of your members calling attention to the fact that they are spending their own money?—Not yet.

11,048. Then you say, "The mutual element which existed in the ordinary friendly societies, and which induced a feeling of pride in keeping off the funds is not likely to obtain in connection with the National Insurance"?—No. They think that they are getting it from the Government, that they are compelled to join, and that they should get as much back as they can.

11,049. You said, in answer to my previous question, that you have not yet taken the opportunity of advising them as to the principles of insurance?—It has only been working nine months, and we wanted to wait a little longer.

11,050. On the question of over-insurance, can you say what the average of over-insurance has been

estimated at in your society?—I have no statistics on it at present.

11,051. Can you say whether the people who are supposed to make claims by reason of this over-insurance are people with fairly large wages, or people who receive small wages, and who have gone in for these large amounts?—I could not give you information on that point at all.

11,052. You simply take that statement from the statement of Messrs. Watson to you from which you gave us a quotation?—It comes to my notice sometimes, when perhaps I have been looking through sick papers, and I see that a man is getting from his combined insurance 10s. a week more than when he is at work. One cannot help seeing these facts.

11,053. But you cannot tell us as an absolute fact?—No.

11,054. You say in your outline of evidence, "So far as the State insurance is concerned there are few cases, if any, in which the sickness benefit exceeds the rate of wages earned by the members"?—Quite so. The word "alone" should have come in there after "State insurance."

11,055. How does that agree with what you have said that you could not say whether these men who go in for very high insurance are low wage earners, or high wage earners?—We have got both.

11,056. Here you say "there are few cases." You must have some knowledge, or you could not say whether there are few cases or many?—There are only a few cases where the wages are less than the 10s. allowed by the State.

11,057. Do you give this as a reason for the sickness benefit in the case of women and men being lower than 2d. and 3d. per member per week, having regard to the fact that you keep it approximately to the wages earned by the people?—I think that that would keep it down, because they would not get more than their wages.

11,058. You say, "There are, no doubt, cases in which considerable unwillingness to return to work exists, more particularly where the combined sick pay insured is equal to, or exceeds, the average earnings"?—Quite so.

11,059. How many cases are there of this kind?—I have no definite number.

11,060. Have you any idea how many have been reported to you by the agents?—Not very many.

11,061. You complain about not being able to get the certificates, and say that frequent certificates are of the utmost importance in curtailing and keeping claims within reasonable limits. Do you think that the fact of not being able to obtain these certificates has run up the cost of sickness at all?—I think so.

11,062. Does that statement apply more to the ordinary side than to the State side?—I think it applies to both sides equally.

11,063. Do you think that there would have been a still greater curtailment than you have told us on the State side, if you had been able to get the continuing certificates?—I think it would have made a difference.

11,064. (Chairman.) Do you not get the continuing certificates?—We get them now.

11,065. How long were you without them?—The whole of the first quarter.

11,066. (Mr. Davies.) It seems to me that it affected the ordinary side more than the State side?—The central body have agreed to accept the certificate given on the State section for the ordinary section. We do not get separate certificates now.

11,067. With regard to the doctors I think that you have said that there was a better understanding formerly between the society and the doctors, because the society appointed the doctors?—Quite so.

11,068. Is that quite correct?—The society appointed the doctors.

11,069. (Chairman.) They also dismissed the doctors?—They had the power, but I never remember a case where it was done.

11,070. (Mr. Davies.) I think you said that you would prefer going back to the old system. Can you give us any special reasons why. Was the service

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better under the old system?—I think it was quite as good.

11,071. If it was quite as good, then the present system is as good?—I think so.

11,072. Do you think that it would be to the advantage of the society if a better feeling of confidence could be established between the doctors and the approved society?—No doubt.

11,073. Do you think that it would tend to remove most of the difficulties?—I should think so. We have very little difficulty now with the doctors.

11,074. At present you say that the doctors feel independent of the society?—Quite so.

11,075. Previously there was a good feeling existing between the society and the doctors, by which they could approach each other, if there were any difficulties?—Quite so.

11,076. If such confidence were now established, do you think it would largely bring back that good feeling that previously existed between the doctors and the society?—I could not say, but I think it would help, although it would be a difficult matter.

11,077. If a system of that kind were established, do you think it would obviate in a large degree the necessity of referees at all?—I should think it would be of great assistance.

11,078. It would be better that the society, the doctor, and the member should be the people to decide their own troubles rather than bring in an outside man?—I think so.

11,079. Do you think that such an arrangement would help it?—I think so.

11,080. You say in your outline of evidence: "In view of the excellent work performed by sick visitors in connection with this society for some years past, there is no doubt that the appointment of these officials affords an efficient check on malingering." Will you state more fully what system you have in operation?—We have a weekly sickness return sent from every agency notifying the number of members going on or off, and we send the sick visitor with a form that has to be completed.

11,081. How often does he visit?—He only goes once on that order. If we send him again he has a separate order to attend.

11,082. How do you pay your sick visitors?—He gets 10s. a day and travelling expenses.

11,083. When a person comes on sick, the agent pays?—Yes.

11,084. How often does he pay?—Weekly.

11,085. So practically you have a weekly visit from the sick visitor, and another visit weekly to pay?—Not necessarily, because in many of the agencies the member has to fetch his money or send for it. It is not taken to him.

11,086. But if the member can walk at all, he must go for his money?—Or send for it. He sends for it in most cases. Some agencies have a sick visitor who takes the money, but they do not all have such an officer.

11,087. So that a man who was on this week, and wanted to stay on another week, seeing that you do not visit weekly, could send a boy for the money saying that he was very ill, and was going to remain on another week: could he do that?—It is possible, but improbable.

11,088. You are speaking for Hampshire when you say that it is improbable?—Quite so.

11,089. He would not do that seeing that he can get the doctor's certificate so easily?—If the doctor will sign the certificate; but it would be a bad thing for the member if he was caught.

11,090. Your sick visitor does not cover a sick person for every week he is sick?—No.

11,091. Independently of that, your sick visiting has been of such a character that you regard it very highly?—We think a great deal of it. There is no doubt that it has reduced claims in many instances. We have had many instances in which the sick visitor has called, and the man has gone off the following day.

11,092. Were the whole of your members admitted without medical examination?—No. The State mem-

bers were admitted, except where we had any doubt on the proposal forms.

11,093. Then you had a medical examination?—Yes.

11,094. You say, "A medical examination is, however, of great value, and prevents a number of unsatisfactory cases being admitted, thereby tending to reduce the sickness average." Why did you come to this conclusion, while you put in your evidence, "The society does not require medical certificates from candidates applying for admission"?—Because as far as the office is concerned, we think that it would be a good thing, but it was a decision of the committee not to have a medical examination, and of course we are bound to follow it.

11,095. What is the proportion of applicants for entrance into your society, who have not passed the doctor?—I should think about two or three per cent. were examined. We were obliged to admit without a medical certificate, because all societies were doing the same, and if we did not do it, we should not have got anybody in the State section at all, because they would not have got medical certificates.

11,096. (Mr. Wright.) I would like to know something of the exact relation of the parent society to the approved section. For instance, are separate meetings held?—Yes, quite distinct.

11,097. That is, separate committees of management are set up?—Quite so.

11,098. It would be possible then for the parent society to have one committee of management, and the approved section an entirely different committee?—There are different members on the committees of the parent society, and of the State society. They are not all the same.

11,099. They are separate committees?—Quite separate, and separately elected.

11,100. Are you secretary of both sections?—I am the assistant secretary.

11,101. Is the secretary the secretary of both sections?—Yes.

11,102. Are the agents in every case the agents of both sections?—We have one instance where a man wished to give up the State section. We have not come to an actual decision, but we have a very strong idea that he should be agent of both sections.

11,103. The agents are the officials who pay the sickness benefit?—They are.

11,104. And who supervise the sickness claims?—Yes.

11,105. Do they pay the State sickness benefit concurrently with the independent sickness benefit?—I take it that they do. I have never noticed that the actual dates are the same on the papers.

11,106. Have they any instructions on that point?—No.

11,107. At all events they have exact knowledge as to the complete insurance in the society of every member in the agency?—They have.

11,108. The sick visitor only visits the members who are insured in the parent organisation?—Quite so.

11,109. But in no case is he sent to the member who is insured for State benefit only?—No.

11,110. Does the number of members in receipt of sickness benefit for 1912 and 1913, which you gave us, include the persons who are insured in the deposit section?—Yes. That is the total sick pay of both systems, the permanent sick pay and the deposit sick pay.

11,111. Have you any figures which would show us whether the increase is mainly in the permanent section, or mainly in the deposit section?—We have no figures at present, but one of our agents in the course of a discussion the other day said that he believed it was in the permanent section. But we have not the actual figures taken out.

11,112. In your deposit system it is possible for a member to exhaust his deposit, in which case his sickness benefit would cease?—Except that he gets grace pay for as long as he receives continuous full pay. It does cease after a time, if they get a long illness, or if they have not been members sufficiently long to create a fund.

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11,113. Therefore, these members would have a more careful training in husbanding their sick pay?—There is no doubt about it.

11,114. And they would be more careful about drawing it?—Yes.

11,115. That is your agent's opinion. Do you think that that is the general opinion?—That is the opinion of the agent of one of our largest branches, Portsea. The report of the society shows the sick pay in the deposit section, and the rate in the ordinary section. The average in the ordinary section for this year was 11 days 11 hours, and in the deposit section it has been only 5 days 10 hours.

11,116. Take now the case of these 709 members who reduced their sickness benefit in accordance with the scheme under section 72 of the Act?—That applies only to our permanent members.

11,117. It did not apply to the deposit members?—No.

11,118. Have you any figures to show us what proportion of these 709 members drew sickness benefit in 1912?—No.

11,119. You cannot say whether the sickness benefit was drawn mainly by those who were insured for double benefit, or those who had reduced their insurance?—I cannot.

11,120. Have your agents expressed any opinion on the subject?—No.

11,121. Did you also offer members, who came on for State benefit, any additional benefit on payment of contributions?—No, we have not done that unless they joined the ordinary section.

11,122. In the ordinary section sick pay commences from the first day of incapacity?—Yes, and we are paying the first three days of those who were members at the passing of the Act from the ordinary society. If a member, who has been a member of the ordinary society joined the State section, we pay the first three days' illness for him, which the State does not pay, from our ordinary section.

11,123. Suppose a member who is insured for 10s. in the independent section becomes State insured, is his insurance 20s. a week for the first three days? Is he paid at the rate of 10s. a week or 20s. a week for the first three days?—20s., because he is paid at the rate of 10s. from the ordinary section, and he gets for the second three days 5s. from the State, and we pay 5s. out of the independent funds for the first three days.

11,124. If he is insured for double benefits amounting to 20s., he is paid for the first three days at the rate of 20s. a week?—Yes, because we pay from the ordinary section the other 5s. which the State does not pay.

11,125. None of your members on the ordinary side suffer deprivation of pay for the first three days?—Not if they were members at the passing of the Act.

11,126. (*Mr. Watson.*) If a member is insured for 10s. on the private side, and 10s. on the State side he is paid at the rate of 20s. a week for the first three days from the private side?—Yes. That would be it.

11,127. That is to say, he now gets, since the Act came into operation, bigger benefits for the first three days from the private side than he got before?—Quite so.

11,128. Is that done by any alteration in your rules?—No. We submitted it to the Registrar only last week, when we had an amendment of rules, and he refused to register it, because he said it must come under the scheme to be adopted under section 72.

11,129. (*Chairman.*) You have been doing it?—Yes. That has dropped up since the last meeting. We had a special meeting of members on the third Tuesday in October. That was one of the amendments put in, that we should pay the first three days. The Registrar struck it out, and said that it must come in the scheme under section 72.

11,130. Do those figures given us take account of that fact?—No. They do not include the three days' payments.

11,131. (*Mr. Wright.*) The State benefits became payable on January 13th. Do you say that in none of these cases which you have given us, the members were paid any additional money for the first three days?—They were paid, but they came under a separate item.

I did not take it out. I simply took ordinary sick pay, without the three days.

11,132. The payment of this double benefit for the first three days only applies to ordinary members who were elected prior to the 15th of July 1912, that is the date of the commencement of the Act?—No, the date of the passing of the Act, December 1911.

11,133. All who joined after the passing of the Act lose the first three days?—Yes.

11,134. If members who joined after the passing of the Act pay for independent benefits they get their independent benefits as something separate and distinct from the State sick pay?—Quite distinct.

11,135. The independent benefits commence from the first day of incapacity; the benefits on the State side commence from the third day?—Quite so. We have separate forms. They are entirely distinct.

11,136. Taking your different classes of members, you have first the member of the parent organisation, who is not insured for state benefit?—Yes.

11,137. Then you have a member of the parent organisation, who was a member prior to the passing of the Act, and who is insured for independent and State benefits?—Yes.

11,138. And you have the member elected after the passing of the Act, who is insured for State benefit only?—Yes.

11,139. And you have the member elected after the passing of the Act, who is insured for independent and State benefits?—Yes.

11,140. You have all those classes in addition to the further sub-division with regard to deposit members?—Yes, and of course they are further sub-divided, because a great many members pay for pensions and endowments as well.

11,141. And are there army and navy members?—Yes.

11,142. Are they included in the figures which you have given us?—As far as numbers are concerned I believe that they are.

11,143. As far as numbers drawing benefit and the amount of the benefit are concerned?—In the ordinary section it includes everything that has been paid, whether in the army and navy, or not.

11,144. You would naturally, I assume, have some members of the parent organisation who have since become insured under the special section applicable to them?—Yes.

11,145. I was wondering whether any of the figures which you have given apply to the army and navy or the mercantile marine?—I believe they are all included, but I am not positive on the point.

11,146. With regard to the doctors you told us that you would prefer to return to the old system?—Yes.

11,147. The old system was a contract between the society and the doctor, whereby the doctor agreed to provide proper medical treatment and medicine for those members of the society in respect of whom he received a capitation fee of 5s.?—Yes.

11,148. The society itself having the right to select and appoint the doctor?—Yes.

11,149. And if necessary dismiss the doctor?—Quite so.

11,150. The doctor knowing that it was not in the power of any one individual member to do him harm in respect of his appointment with the society?—Quite so.

11,151. The doctor realising that there was always an appeal to the committee in respect of any complaint against him?—Yes.

11,152. Did you have many complaints?—Very few indeed.

11,153. Generally what was the result? Was the doctor found to be in the wrong, or the member found to be in the wrong, from your experience?—There were so few—I do not think that I remember any actual instance of anything wrong anywhere. The complaints that came before us were very few because they were dealt with locally.

11,154. Under the present system to whom do you think the doctor feels any responsibility?—To the insurance committee.

11,155. Why to them?—They have to deal with the appointment on the panels.

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11,156. Do you think that they feel that they have a greater responsibility to the patient than in the old days?—I do not think so.

11,157. You do not think that the creation of the panel makes them feel that they owe something more to the panel patient than they owed to the friendly society patient?—I should think not.

11,158. Do you think that they feel more responsibility to the society to which the insured person belongs?—No.

11,159. Do you think that he should be made to feel some responsibility to somebody or other?—It would be a great advantage.

11,160. For preference you say that it should be to the society?—I think so.

11,161. You know the system under which the doctors are remunerated?—Yes.

11,162. You know that insured persons have an opportunity at stated periods of changing their medical attendant?—Yes, I understand so.

11,163. Do you think that that system has any tendency to induce doctors to give certificates very easily?—I think that it would tend that way. On the other hand I think that the members should have a chance of changing their doctors if necessary.

11,164. Do you consider from the experience of your agents that the doctors have to any great extent given certificates for what you would consider minor ailments?—No, I do not think so.

11,165. (Mr. Warren.) Have you any meetings of your members in the ordinary sense of branches or lodges?—They meet annually.

11,166. They have no other means of knowing one another?—No.

11,167. Not as members of the society?—No, they do not meet as the Oddfellows or the Foresters do. A special meeting of the members can be called at any time, but in the usual way there is only a meeting once a year.

11,168. You have rules governing the conduct of members who are in receipt of sickness benefit?—Yes. They are printed on the back of the sick papers.

11,169. You have told us that you have no complete system of sickness supervision?—We do not consider it sufficient, though it is valuable as far as it goes.

11,170. What means have the society of knowing whether the rules are observed in respect of conduct during the receipt of benefit?—We expect our agents to let us know.

11,171. What opportunity has the agent, generally speaking?—Nearly all our branches are in the villages where everybody is known.

11,172. And the agent has a knowledge of all the members?—In nearly all cases, of course with the exception of large towns like Portsmouth or Southampton.

11,173. Generally in the villages also the members, who are in the society, would know one another?—Yes.

11,174. Therefore they would probably keep an eye upon the conduct of those who are in receipt of benefit?—I think so.

11,175. You have a rule by which you can expel members for breach of rules. Is that ever put into operation in the State section?—We have expelled one member, who was convicted of keeping a disorderly house.

11,176. Was he insured?—Both in the ordinary and the State section.

11,177. There was no appeal in that case?—We have heard nothing of it. It has been reported to the Commissioners.

11,178. What would happen in the event of any member appealing against the decision of the central body?—We have five arbitrators appointed.

11,179. What really happens in the case of a complaint being lodged in respect of a member? Would the agent lodge it, and with whom?—The agent probably would hear of it, and send it to us, and we should bring it before the committee of management.

11,180. They would then sit, and hear the complaint?—Quite so.

11,181. Would they have the member before them?—Probably they would.

11,182. Is it provided that he has the right to attend, and be heard?—I think it is.

11,183. In the event of his disagreeing with the finding of the committee the matter can then be referred to arbitration?—Yes.

11,184. Who are the arbitrators?—I believe that they are the same as in the ordinary section.—Mr. Gathorne Wood, Mr. Spencer J. Portal, Col. the Hon. H. G. L. Crichton, Mr. Montagu G. Knight, and Sir George Cooper, Bt.

11,185. The member would have a right in the final result to appeal to the Commissioners?—Yes.

11,186. You are from your experience led to the conclusion that, in very many cases, members have no knowledge as to the real meaning of national insurance?—Yes.

11,187. Many persons who have to come under the Act imagine that, as it is in connection with the State, the funds are practically inexhaustible?—Quite so.

11,188. And therefore it would be well if their attention were drawn to the fact that they either stand or fall by their own society?—Yes.

11,189. And that the day may come when they may have to have their benefits reduced or their contributions increased?—Yes.

11,190. Would you from your experience urge that the Commissioners should take some means of making it more widely known, or better understood of the people?—I think so.

11,191. And disabuse their minds of the idea which is widely prevalent, that they are getting a bit of their own back?—Yes.

11,192. From your experience, you would probably say, generally speaking, that the relations between societies and doctors in the past were very cordial and satisfactory?—Most happy.

11,193. That the branch had confidence in the doctor, and that the doctor generally acted as a friend and adviser, and, to a great extent, as the safeguard of the funds?—Yes.

11,194. And that a great deal of the difficulty existing at this moment is owing to the fact of our having this relationship severed?—Quite so.

11,195. At any rate, that it is bearing very hardly upon thousands of members of friendly societies who do not come under the Act?—It is.

11,196. Therefore, if by any possible means those relations could be repaired, it would be an advantage?—We would welcome it.

11,197. You have had no experience of doctors post-dating or ante-dating their certificates to any extent?—No.

11,198. Have you heard any complaints on the part of insured persons as to having to go to the chemist to receive their medicine?—Not one.

11,199. Have you any knowledge that a number of insured persons, who have received prescriptions from doctors, never take them to the chemist?—No, but I have heard a chemist say that he had a prescription brought to him, and the man asked him what it was, and whether he could not have something else for it.

11,200. But not that persons with a view to claiming on the funds have attended at the doctor's surgery, and obtained a certificate and prescription, and have never put the prescription into operation?—I have heard of the case of a man who, when his wife was ill, got her to tell him her symptoms, and he went to the doctor and the doctor told him that if he had not been a man, he would have thought it was something else. A chemist told me this.

11,201. He was trying to work off his wife's symptoms with a view to obtaining a certificate?—Yes.

11,202. Have you had any difficulty in respect of compensation cases?—Not exactly a difficulty. We have been very careful not to pay in cases of any injury.

11,203. In carrying out that portion of the Act in respect of compensation, you would not say that your funds were suffering owing to paying sickness benefit?—No, we never pay a single claim for injury, or accident of any kind, without making an inquiry as to its nature. We have issued a circular to agents saying that, where-ever there is injury or accident on the certificate they

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are to inquire before forwarding it, as to whether it occurred at work or in the member's own time.

11,204. In the case of any question arising as between the doctor and the insured person, do you think that it would be well if there were some other authority to whom those complaints could be referred?—My society decided not to have anything to do with that.

11,205. You are strongly of opinion that, if any step is taken in that direction, the referee should be a person separate and apart from either the society or the committee, and that he should be a perfectly unbiassed and unaffected person?—That is my private opinion.

11,206. (*Mr. Mosses.*) You say that of the six panel doctors in Winchester one has got the great bulk of the practice?—One or two.

11,207. Is there any particular reason why he should have a practical monopoly?—No, except that he had nearly all the friendly society practice originally, before the Act came into force.

11,208. Had the facility with which he granted certificates anything to do with it?—I do not think so.

11,209. It is simply because he is more popular?—He was more in touch with the friendly society people at the starting of the Act.

11,210. You only complain of isolated cases of suspected malingering?—Quite so.

11,211. You do not complain of excessive sickness in connection with your organisation?—Not in the State section, as far as we can judge, working on the figures issued by the Commissioners.

11,212. Is that due to the carefulness with which you admitted members to the State section?—I think that it is greatly owing to that. Although we did not get medical certificates, we were most careful. In fact, at the commencement we lost a good many members through insisting upon a certificate of birth.

11,213. You would not accept the authority of the family Bible?—We do now, simply because we found that some of the collecting societies were taking them without any proof at all.

11,214. And were cutting you out?—Yes. They used to tell us that they could go into certain societies by a simple statement of their own. Then we established the practice of accepting the authority of the family Bible. But in many instances we get the registration certificate.

11,215. You have 16 questions upon your form of application for membership?—I have not counted them.

11,216. As a rule are these questions intelligibly filled up?—As a rule. We get some very curious answers, but there are very few we have refused to admit, because the questions were not answered properly.

11,217. The bulk of your members are agricultural labourers?—Yes.

11,218-9. They are not generally supposed to be the most intelligent people?—But the agents generally fill them up for them, and the member signs.

11,220. They are dependent upon the applicant for such information as is contained in the last three questions which relate to the relatives of the applicant?—Yes. That corresponds with our ordinary section. There are similar questions which we have in our ordinary proposal form.

11,221. Your members as a rule are persons following a healthy occupation?—Yes.

11,222. And your immunity from excessive sickness is due to that?—Yes.

11,223. In cases of prolonged sickness, who challenges the validity of these cases?—If the medical certificate is provided, and the sick visitor reports the case as all right, we do not challenge at all. We simply go on paying.

11,224. Have you ever challenged the continuous sickness certificate?—Yes. We have had members brought up to our consulting physician. I can only remember two cases in the last few years.

11,225. On what basis do you work it?—We have one instance where the doctor was not satisfied, and said that he would like a further opinion, and other cases we were doubtful about.

11,226. It was not on account of the nature of the illness?—No. I do not remember any case of the nature of the illness.

11,227. Generally speaking, if the medical certificate is in good order, you go on paying?—Yes.

11,228. Who elects the managing committee?—There are a certain number of districts. The members in each district elect a committee, and these representatives, 18 of them, elect one of the committee.

11,229. They form the managing committee?—Yes, with the president and vice-president.

11,230. You have had a large managing committee?—Yes, I think it is 40. Rule 22 gives the composition of the central body.

11,231. How often does the managing committee meet?—Once a month.*

11,232. You have got a somewhat elaborate provision under your rules for annual meetings?—Yes.

11,233. Have you had an annual meeting yet?—Of the State section, no. The Commissioners have approved of that being put off until the accounts have been completed. It should have been held this Wednesday under the rules.

11,234. I see that you have some very heavy penalties for those who transgress the rules relating to behaviour during sickness. Are these penalties ever exacted?—Occasionally, if we had a bad case. They are generally warned once or twice perhaps. We have had no bad cases on the State side.

11,235. (*Mr. Burn.*) Your society, I believe, has had a long and successful career?—Quite so.

11,236. And your sickness claims in the past were very favourable?—Very favourable, indeed.

11,237. You mentioned the lapses, and I think that you gave the number as 449 as against 1,091 new members for last year?—Last year, the number was 468 for non-payment of contributions. The number of members at the end of the year was 10,371.

11,238. Was that for 1913?—For 1912, as you will see by page five of the report, and then there is the deposit in addition to that.

11,239. That was exceptionally low, was it not?—I think not. It was about the average.

11,240. The reason I said that was, that on looking at page 20 of this annual report I see there that for 1912, the numbers are 449 as against 1,091 admissions?—You have only got the deposit section there. That is the table of the deposit system. You will find the experience table of the assurance section in the large sheet which is folded.

11,241. The reason why I am referring to it is that it struck me as rather extraordinary that whereas in 1912 the comparison, which I now see had reference to the deposit system, of withdrawals to admissions is 40 per cent. in the previous year it seems to have been 90 per cent. You mean it is much larger last year.

11,242. No, smaller. For last year 449 out of 1,091 admissions?—You must see that there was a large influx of members who joined last year, and many of them joined the deposit side in addition to the State benefit.

11,243. With regard to over-insurance, do you not think that there was a considerable amount of over-insurance on the private side before the Act came into force?—I do not think so.

11,244. In the examples which you gave you mentioned one of 5*l*. That would have been before the Act?—Yes. That 5*l*. case was some years back. He was not a member very long.

11,245. You have a very large State membership, and your agents receive, I think you said, a shilling for every new member they enrol?—For a new member, but for those who were transferred from the ordinary section they only got twopence.

11,246. Is your State membership increasing?—If we take the cards, we seem to be getting new members, but the second quarter did not give the same number as in the previous quarter.

* The witness subsequently pointed out that the answers to questions 11,228-31 relate to the parent society, and that the government of the State section is dealt with in Rules 18 and 19.

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11,247. One would have thought that a shilling entrance fee would be a considerable inducement to endeavour to increase the membership?—Yes, but there are certain societies who are at every door and they have an advantage. Our agents do not go to every door. We are quite satisfied with what we are doing.

11,248. When he gets these new members, I suppose that your agent would make every possible endeavour to enrol them on your private side, if they were not so already?—Quite so.

11,249. Do you think that there is any danger in this way, that if a man is insured on the State side, and then there is an inducement to him to insure further on the private side, it is possible the result would be that he would be over-insured?—We are very careful, and if a man is insured in both sections we generally find it out.

11,250. You endeavour to restrain the double amount?—Quite so. There were two instances at the last meeting where the board would not approve of them. The candidates wanted to go in for fourteen shillings in addition to the State benefit, but the board would not allow it, and cut them down to seven shillings, because they thought fourteen shillings too much.

11,251. Would it be in any way to the advantage of the agent to enrol them on the private side as well as on the State side?—Oh, yes, because he would get twopence a month on the private side, that would be two shillings a year, and from the State side a shilling.

11,252. As a matter of fact you probably have some difficulty in preventing the natural tendency to further insurance outside the State insurance, if they have insured in your society?—Yes, but the clerk, who deals with the proposals going through the office, knows whether they have joined both sections, and points it out to the meeting.

11,253. I am trying to see whether this would in any way tend to increase perhaps your future sickness. Your agents have a direct incentive to get new members for your State side, and they have a further incentive to get these same members into your private side?—Yes.

11,254. Therefore you must expect that the net result would be that the larger number would be not only State members, but would have insured in your society as well?—Quite so.

11,255. Can you tell me the total amount which you paid in the last nine months on account of the extra ten shillings a week which you paid for the first three days?—I have not got the figures here.

11,256. (*Dr. Lauriston Shaw*.) You told us about the general rise in sickness payments all over the country for many years?—Yes, as far as we are concerned.

11,257. You told us that you believed that that general rise which was reported to exist has also existed in your society?—The table shows that.

11,258. But you have not been able to give us any suggestion as to why there is this general rise?—No, it has been going up each year.

11,259. Do you think it likely, inasmuch as the doctors are beginning to think that rest and recreation may be a more suitable treatment for some diseases than medicine, that that may be the explanation of it?—It is possible, but I could not give an opinion on that.

11,260. You have also told us that it is your experience in the past, and your experience now, that sickness claims seem to be higher where the relation between sickness benefit and the total wages is close?—That is so.

11,261. In the past most of your insured members would have to make some little sacrifice if they became sick?—In many cases they would.

11,262. And the doctor would be accustomed to recognise, when a man asked him for a sickness certificate, that he was going to make a sacrifice?—Quite so.

11,263. And they would further recognise that now that the conditions are somewhat altered, the patient is not going to make a sacrifice, or would only make a less sacrifice, as he was getting more than he did then?—We have nothing to do with the doctor now.

11,264. Do you think it, in your opinion, reasonable that in cases where you know the relationship to be very close the doctor should have some information?—In one case we had under a panel doctor, a man was getting more than when he was at work, and he was immediately put off.

11,265. Do you think that the result of some general system of letting the doctor know, in cases where the approximation between sickness benefit and wages was very close, would be to put them on their guard?—It might be an advantage.

11,266. Your society has said that they are not likely to appoint a referee themselves?—They would not pay anything to the insurance committee of the county towards it.

11,267. You have been asked by some member of the committee whether you did not think that it would be better for the doctors and the societies to settle their differences without these referees?—If possible.

11,268. May I ask whether you do not recognise that one use of medical referees would be, not to settle differences between the society and the doctor, but to help the doctor in difficult cases?—Yes, that is my personal opinion, but I am not giving the opinion of the society.

11,269. You have stated that sometimes, or at least in one case, the doctor had asked for a second opinion?—Yes.

11,270. And the referees could help the doctors in such cases, apart from any difference of opinion that might exist between the society and the doctor?—Quite so.

11,271. You expressed the opinion to a member of the Committee that there was no chance that any member of your society could do any harm to a doctor?—I never had an instance of it.

11,272. What harm could he do to the doctor now, if he did not get on with him?—I do not think he could do any harm now.

11,273. Would it be possible under the old system for an aggrieved member to have urged his society to dismiss the doctor?—As far as my experience goes, no.

11,274. I am asking whether it might not have been possible, where a member felt himself seriously aggrieved, to stir up other members of the committee to dismiss the doctor?—I do not think so.

11,275. It would be possible?—It would be possible, but I do not think that it would be done, unless they had good cause.

11,276. On the question of the responsibility of the doctor, you told us that it would be a very good thing if the doctor had a sense of responsibility to somebody?—Quite so.

11,277. I was wondering whether you recognised that all doctors have some responsibility to authorities?—Oh, yes.

11,278. As a matter of fact, the existence of a doctor as a qualified man depends on his proper behaviour?—Quite so.

11,279. Under the existing system, a doctor whose action is detrimental to the best interests of the service may be removed from the panel?—Yes.

11,280. With regard to your very fortunate experience in Winchester, it is true that under the old system your members had a choice of doctors?—They had.

11,281. There was a list of doctors from whom they chose?—Yes.

11,282. Was it common knowledge that the reason they chose a doctor was because he gave a certificate very easily?—No.

11,283. Was it possibly the reason that they thought that he would cure them from their illness quickly?—They chose a doctor because they probably in many cases knew about him. One doctor had nearly all the patients, but there was a second and third doctor for anybody, who was dissatisfied, to go to.

11,284. It was not your opinion that this doctor was popular merely because he was lax in giving certificates?—Not the slightest.

11,285. He was not a doctor to whom these people went to get certificates?—No.

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[Continued.]

11,286. He was a popular doctor because he was thought to be a good doctor?—Quite so.

11,287. You told us about the man who described his wife's symptoms; was the suggestion that this was done in order to obtain a certificate?—Yes, and medicine for the wife.

11,288. To get a certificate it was possible for him to invent any symptoms?—Of course, but it is only hearsay.

11,289. The deception was not for the purpose of obtaining a certificate?—No, it was to get medicine for his wife.

11,290. You were answering just now a question with regard to your agent endeavouring to obtain insured persons both for your private side and for the State side. There is apparently an advantage for them if they obtain insured persons also for your private side?—Yes. They get twopence a month, that is two shillings a year on the private side, and one shilling on the State side, so that they get three shillings for both sections.

11,291. Does that two shillings depend on the amount of sickness pay?—No.

11,292. It would not necessarily encourage over-insurance. Your agent would not be anxious that a man should be over-insured. All he would be anxious about would be that the person should be insured?—Yes, he would get the two shillings, or twopence a month, irrespective of the amount he was insured for.

11,293. If the man was insured for only a few shillings a week?—The agent would get his twopence a month.

11,294. (Mr. Watson.) I think that your society was established as far back as 1825?—Yes.

11,295. Up to 1868 it transacted ordinary insurance business, sickness benefit and life-insurance?—Yes.

11,296. And in 1868 the deposit side was formed?—Yes.

11,297. The deposit side is now about as large as the insurance side?—Not quite. The number on the insurance side was 10,045 at the end of last year, and on the deposit side 7,375.

11,298. The income is about the same on both sides at any rate. Do the figures which you have given as to the number of declarations-on and the amount of sick pay on the private side refer to the insurance branch only?—No, to both systems.

11,299. These figures are 3,074 for the first quarter of 1912 and 3,455 for the corresponding period of 1913. Do they refer to both sides?—Yes, to both systems, the insurance and the deposit.

11,300. You have always had a very favourable rate of sickness?—Yes.

11,301. You have had very large surpluses at your disposal?—I think so. We have never had a deficit since the starting of the society in 1825.

11,302. You have given us some figures that show that your claims are much below the amount to be derived by taking the Commissioners' figures of threepence and twopence?—Yes.

11,303. You recognise that these figures represent a mere general average?—Quite so. I could not find the actuary's report in which he showed exactly what the situation was.

11,304. Even if it was based on the actuary's report, you recognise that this general average figure has no necessary relation to the experience of the Hampshire society?—Quite so.

11,305. It depends on the experience of miners, ironworkers, and chemical and railway workers, and other sorts of occupations, and has no real relation to what your experience ought to be?—No.

11,306. So that although your claims may be very much lower than this general average figure, you still think that they are higher than they ought to be?—Quite so.

11,307. I think that you said that you had a number of members who were in the army and navy?—We have some in the navy and army, but not very many.

11,308. Not a sufficient number to disturb the figures which you have given us?—Oh, no.

11,309. Because men in the navy or army are not entitled to sickness benefit?—No.

11,310. I think that you have not yet submitted to the Registrar a scheme under section 72?—Only a provisional scheme.

11,311. And of that provisional scheme only seven hundred members have taken advantage?—Yes.

11,312. Of these, some have desired to go back to full benefits?—Quite so.

11,313. Why did you say that it would be unfair to apply a general scheme under section 72 to the whole of your members?—Because I think that it would not be right to expect them to reduce their benefits, as all the benefits under the insurance system are greater than under the Act. For instance we are giving 52 weeks full pay.

11,314. Are you aware that the Registrar would not allow, under the scheme, the reduction of benefits on the private side to exceed the amount of benefits provided under the Act on the State side?—Yes, I think so. We have not reduced anybody more than ten shillings.

11,315. Are you aware that the Registrar would not allow, although you pay full benefit for 52 weeks, a reduction of sickness benefit by more than ten shillings a week for 26 weeks?—No, I am not.

11,316. Are you aware that he would require under the scheme that members should get from the two sides together at least the same benefit that they got previously?—Did I understand you to say that for an insured person for 52 weeks full pay the scheme only reduced benefit from ten to five shillings for 26 weeks, and at the end of 26 weeks we should put him on and bring him to ten shillings again?

11,317. No, but if a member is insured for ten shillings a week for 52 weeks on the private side you might by the scheme suspend his sickness benefit on the private side for the first 26 weeks?—I am afraid we are not quite correct, because we have taken it off altogether for 52 weeks.

11,318. Have you taken advice on the subject?—I am afraid not. I saw the Registrar about twelve months ago.

11,319. I only mentioned the matter now because you have given reasons why you should not adopt section 72, that did not apply at all?—It seems to me they did not.

11,320. With regard to the first three days, although you have not adopted a scheme under section 72, you have in fact been actually increasing the benefits to your members by allowing them double benefits, where they are insured on the private side for those three days?—Quite so.

11,321. Did that apply to members on the insurance side only?—Yes, the assurance side only.

11,322. What about the deposit members?—They get no advantage at all for the first three days.

11,323. It was part of the provisional scheme under which a member should sacrifice something for the first three days?—Yes.

11,324. He would have been given the double benefits for the first three days without any sacrifice of benefits afterwards?—Quite so.

The witness withdrew.

FIFTEENTH DAY.

Wednesday, 3rd December 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT :

SIR CLAUD SCHUSTER (*Chairman*).

Mr. WALTER DAVIES.
Miss M. H. FRANCES IVENS.
Miss MARY MACARTHUR.
Mr. WILLIAM MOSSES.
Dr. LAURISTON SHAW.
Mr. A. C. THOMPSON.

Mr. A. H. WARREN.
Mr. A. W. WATSON.
Dr. J. SMITH WHITAKER.
Miss MONA WILSON.
Mr. WALTER P. WRIGHT.
Mr. ALEXANDER GRAY (*Secretary*).

Miss MARY MACARTHUR (*a member of the Committee*), accompanied by Miss HONORA ENFIELD, examined.

11,325. (*Chairman.*) Are you honorary secretary of the National Federation of Women Workers, a member of the executive of the General Federation of Trade Unions for Insurance and Friendly Society Purposes, and secretary of the Women's Trade Union League?—Yes.

11,326. In respect of the General Federation of Trade Unions, will you describe what your precise position is?—I am a member of the Executive Board of the General Federation elected by ballot vote at the annual general meeting.

11,327. Have you some special relation to that part of the General Federation for insurance purposes which has regard to insured women?—Only in the fact that I am secretary of the largest affiliated society. The largest affiliated society of any kind is the National Federation of Women Workers.

11,328. I do not want to go in detail into the organisation of the General Federation because Mr. Appleton is coming here afterwards, but I would like to get a general idea of what it is, and the relation in which the affiliated society stands to it?—The General Federation is a federation of trade unions, which are ultimately to be registered branches of the approved society of the General Federation.

11,329. And the approved society is already a registered friendly society?—It is.

11,330. When you say they are trade unions, you mean that they correspond to trade unions?—Yes.

11,331. They are, as it were, one aspect of each trade union?—Each trade union has organised its members for insurance purposes into registered branches of the General Federation.

11,332. As far as your particular women's branch is concerned, how many members have you?—Between 21,000 and 22,000 members. I wish to say first, that in responding to the request of the Committee that I should give evidence, I do so partly from the standpoint of one busily engaged at the head office of a large approved society, and partly from the standpoint of one in touch with women workers. There are over 200,000 women workers affiliated to the Women's Trade Union League, of which I am secretary. What I have to say necessarily consists, therefore, of the impressions and opinions which are the result of my general experience. I shall give such imperfect statistics as we have been able to prepare in an office which is perpetually overworked; and I would like to say that in the preparation of the statistics I have been very much assisted by my colleague, Miss Enfield, who accompanies me to-day. I also want to say that these statistics are approximate. I shall adduce, as illustrations and examples, cases which have been brought to my notice. But I do not profess to prove any facts. My evidence, whatever it is worth, consists of the fact that I have, rightly or wrongly, gathered the impressions, and formed the opinions that I shall set forth. I would like to present the statistics with regard to the National Federation of

Women Workers. Its membership is between 21,000 and 22,000. I cannot give the exact figures, because of the number of transfers and so on.

11,333. How many of those are married, and how many are single?—We have worked out roughly the marriage distribution of our members for the United Kingdom. We have about 18 per cent. married women, and about 7 per cent. widows; so that a quarter of our total membership consists of married women and widows.

11,334. What is it in England?—In England the proportion of married women is larger. In our English branches, as apart from our English individual members, we have 23 per cent. of married women.

11,335. Those 21,000 persons constitute something which will be a branch?—They will be a registered branch, but they are divided again into unregistered branches. About half of the membership is dealt with centrally from the head office. These are individuals scattered all over the country. The other half is divided into trade union branches with members living in different districts, and following different occupations.

11,336. How did the arrangement of administering half of the members from the head office come about?—These were individuals joining in small groups, not large enough to form a branch, and also individuals who originally applied for membership directly to the central office.

11,337. Is there any trade union nexus between them?—Any number of them have joined the trade union as individual members, but they are not in trade union branches.

11,338. Which trade union have they joined?—The Federation of Women Workers, which is a trade union admitting women who are not eligible for membership of any of the skilled trade unions.

11,339. They are a sort of combination of general labourers?—Among women.

11,340. So far as the 10,000, who are in unregistered branches throughout the country, are concerned, are those branches mixed up with men at all?—No, they consist of women only.

11,341. Have they got women officials and committees?—The committees consist of women only.

11,342. Are the unregistered branches divided up by trades?—Mostly, but some branches have a number of trades in them.

11,343. As far as the people who are administered from headquarters are concerned, is there any particular trade in which a large proportion is engaged?—I do not think that there is any preponderating trade.

11,344. So far as the other trades are concerned in the unregistered branches, would you like to give us a list of the particular trades represented?—Perhaps when we come to deal with the different branches, I could give the occupations.

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[Continued.]

11,345. Do you find that the marriage distribution holds good fairly well over the whole society?—No. It varies very considerably in different branches. We have one branch with 53 per cent. of married women.

11,346. What branch is that?—The Acton branch, which is composed mainly of laundresses. We have another branch at Cradley Heath, in which 38 per cent. are married. There are some branches in which the percentage of married women is practically negligible.

11,347. What kind of branches would they be?—We have a large branch of ammunition workers at Edmonton, where the percentage of married women is very small.

11,348. Do you take in domestic servants?—We have taken them into the central branch.

11,349. How many have you got?—I cannot give you exact figures. I think about 1,500.

11,350. What type of domestic servants are they?—More the poorer class, I think.

11,351. Of the class one would find in houses where they keep only one servant in the house?—Mostly. We have some of the others, but they are mainly of the poorer type.

11,352. Would it be true, or not, of your general membership to say that they are rather the poorer type of women?—They are mainly the underpaid women.

11,353. That is true of the whole society?—It is. We have a few school teachers and clerks, but very few. They consist mainly of the lower paid women workers.

11,354. Have you any shop assistants?—No, we do not accept shop assistants.

11,355. You do not take in any people for whom there is, in fact, a skilled trade union in existence?—No. They belong to our Women's Trade Union League through the affiliation.

11,356. You do not compete with one another?—No, we do not compete.

11,357. That excludes shop assistants?—Yes.

11,358. Does it exclude all the weavers?—Not all the weavers. It excludes the Lancashire weavers, who again are affiliated to our Trade Union League.

11,359. What about the Yorkshire weavers?—They are also excluded.

11,360. And the card room and blowing people?—Entirely.

11,361. Is there any other branch of industry or work to which you would like to call attention as being excluded?—The boot and shoe industry.

11,362. What about silk?—We have silk weavers.

11,363. Is there no silk weaver trade union?—There are local unions at Macclesfield and other places for silk weavers, but there is no national skilled trade union which takes in silk weavers.

11,364. Then you want to talk about marriage distribution and the age distribution?—Yes, we find that taking the society as a whole, 27½ per cent. of the people claiming are married women, as compared with 18 per cent. of membership of married women, and 6½ per cent. of widows and 75½ per cent. single women. In our branches, as apart from our central branch, we find that 25 per cent. of the women claiming are married, but of the actual money paid in the branch claims, 41½ per cent. is paid to married women. Although only 25 per cent. of married women are claiming, that 25 per cent. receive 41½ per cent. of the total money allowed. Under the branch system 5½ per cent. of the people claiming are widows, and it is curious to note that 5 per cent. of the money paid out is paid to widows, so that the figures do approximate.

11,365. Are the married women living with their husbands?—Some of them are not. They are all married women with their husbands still living, but the great majority of them are living with their husbands. In the branches 69½ per cent. of the claims are by single women, but only 53½ per cent. of the money paid is paid to single women. So that shows a larger proportion of married women claims than single women, and it further shows that of the proportion which do

claim, a much larger amount is paid per head to the married women than to the single women.

11,366. Would it be convenient for you at this stage to give us the actual claims?—Take Great Britain first; in the first quarter sickness benefit worked out at 1½½d. per member per week. In the second quarter, it was 2½½d. In the third quarter, it was 2½½d., being an average for the three-quarters of 2½½d.; or in cash the actual money paid in the three quarters was 6s. 11½d. per member, as against 6s. 6d., the amount roughly allowed in the calculation.

11,367. That was for the whole kingdom?—Yes, for the three kingdoms, but in Ireland we have hardly any members.

11,368. What about England?—In the English branches, that is, excluding the members who belonged to the branch in England operated from the central office, in the first quarter it was 2½d., in the second quarter it was 3½d., in the third quarter it was 3d., or an average of 2½½d. With regard to our central branch, which consists mainly of members in England, as there are very few in Scotland and Wales—this is the branch worked centrally—the figure in the first quarter is 1½d., in the second quarter it is 1½d., and in the third quarter it is 1½d., or an average of 1½½d. Then I have had the figures of several of the branches taken out. In Cradley Heath, where we have a membership of about 1,600 women engaged in the chain-making industry and a few in the hollow-ware industry, the figures work out at 38 per cent. married and 5 per cent. widows. The rate per member per week for the first quarter was 2½d., for the second quarter it was 5½d., and for the third 5d., or an average of 4½d. for the three quarters.

11,369. That is a branch worked locally?—Yes. Another branch to which I would like to draw attention is Acton, which consists of laundresses, with 53 per cent. married women, and about 12 per cent. widows. There are about 500 in the branch. These are all approximate percentages. The rate per member per week for the first quarter was 3d., for the second 5½d., and for the third 5½d., or an average of 4½d. Another branch is at Halstead in Essex, where silk weavers are employed in factory work. There are about 500. Only 10 per cent. are married women. The sickness benefit works out for the first quarter at 3½d. per member per week, for the second at 4½d., and for the third at 2½d., or an average of 3½d.

11,370. These are in all cases the figures for sickness benefit, without maternity benefit?—Yes, maternity benefit is not included. Then there is one small branch that I might mention, because it represents the highest sickness rate we have got, and that is in Norwich. There is a very large percentage of married women—71 per cent. The branch has under 100 members—between 70 and 80—so that the figures may not be very useful, but they are rather alarming. The rate per member per week for the first quarter is 4½d. The rate for the second is 8½d., and for the third it is 6½d., or an average of 6½d.

11,371. Would you give us the most favourable experience?—The most favourable experience is not in England. Apart from the centrally worked branch, which works out very well, the best branch in England is Edmonton, where we have just under 900 members. They are all employed in one factory—the ammunition works. They have been organised into a trade union for seven years. Their wages are very good in comparison with those in other trades. Only 4 per cent. are married women. In the first quarter the sickness rate per member per week was 1½d., in the second it was 1½d., and in the third it was 1½d., or roughly an average of 1½d. for the nine months. That is a very large branch, and the most favourable experience we have had in England.

11,372. You were talking a few moments ago about widows. Does a large proportion of these consist of quite casually employed people, charwomen and such like, or are most of these people engaged in regular work?—We have our percentage of casually employed women. They would mostly belong to our central branch, where the sickness experience over the whole

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[Continued.]

branch is low, but I do not think that we have any large proportion of casual workers.

11,373. For instance, you have given 5 per cent. of widows at Cradley, and 12 per cent. at Acton?—These widows at Cradley are employed just as regularly as the married women, or perhaps more so. At Acton the same applies. I have worked out some figures about age distribution and claims. I have not had time to come to any conclusion as to what they mean, but I will give the figures for what they are worth. We find that 798 of our claims come from girls between 16 and 20 years old, 489 between 21 and 25, 252 between 26 and 30, 246 between 31 and 34, 239 between 35 and 40, 180 between 41 and 44, 152 between 45 and 50, 102 between 51 and 55, 93 between 55 and 60, 39 between 61 and 64, and 24 between 65 and 70. Of course, I quite see in reference to these figures that it all depends on the age distribution in the society which we have not been able to work out, but it does show, we think, an unexpectedly high proportion of claims from young people, that is people between 16 and 20.

11,374. Have you applied the marriage figures to the figures for the young persons to see whether they would to some extent account for the result? Take these 790 claims between 16 and 20; how many of those are married?—We have not worked that out, but Miss Enfield thinks that only a small proportion are married.

11,375. The married people must be somewhere in the groups?—The bulk of them, I think, would be members between 21 and 50. I could have worked out a good many interesting statistics, and should have liked to do so, but the inference from these figures as to age should be a definite inference, and it could only be done by getting the age distribution of the membership, which was rather a large undertaking. We attempted it, but could not get it.

11,376. To some extent you are doing it for other purposes?—No. We are not working it out for the reserve values. That is done by the central organisation. I have had a classification of diseases made out, and I find that of our sickness claims 525, or 20 per cent. of the total, are lung and throat troubles.

11,377. This is all over the society?—Yes. 15 per cent. are infectious diseases, including influenza, which, of course, is responsible for the bulk; women's diseases and allied complications, including varicose veins, account for 13 per cent. of the total of the people claiming; anaemia and debility account for 11½ per cent.; and digestive diseases and intestinal troubles 10 per cent. We have a lot of others worked out, but I do not think that the numbers are sufficiently large to be of any use.

11,378. What does that add up to?—That accounts for nearly 70 per cent. of the total. I might add nervous diseases, 107 claims, that is about 5 per cent.

11,379. Have you allowed for compensation claims in these figures? Have you taken them in, or excluded them?—We are in a very special position as regards compensation, because in our Cradley branch the Workman's Compensation Act does not apply because they are outworkers, and I will give you figures in a moment showing to what extent that has burdened our fund in that particular branch.

11,380. I was anxious to know whether any part of those claims has been caused by accident or injuries of that sort, which might possibly be the subject of compensation?—Every time we think that there is a case for compensation we do not pay sickness benefit or we only advance it, but I am bound to point out that we have 157 claims for septic wounds, cuts, and burns in the whole of our membership. Though we have advanced money in several compensation cases, the money is not included in the figures which I have given.

11,381. Those claims are not included?—They would only be included if we paid some of the benefit, which we have done, if the compensation did not amount to 7s. 6d. I have an analysis here of our claims which have lasted 26 weeks. They number 96; 29 of these were from married women, 56 from single women, and 11 from widows; so that

there are more from married women than one would expect from the percentage. I have also got the age distribution of these claims. 8 were between 16 and 20, 18 between 20 and 25, 17 between 25 and 30, 8 between 30 and 35, 9 between 35 and 40, 12 between 40 and 45, and 24 between 45 and 70. I have also got here a list of the diseases on which claims were made, and also a list of the occupations of the people. I do not think that they prove anything at all, but I have had them done in case anyone would like to see them.

11,382. You wish next to tell us something of the grouping of occupations in districts as affecting the variations of claims?—From the point of view of excessive sickness we look upon our Cradley Heath district as the most serious. The General Federation have provided us with a nurse who is resident in the Cradley district. I have made a minute of my conversation with her. She feels first that there is a lack of doctors in the Cradley area. There are only two doctors for Cradley Heath and Old Hill, with one assistant for each of them. I do not know what the exact population is, but the population of the urban district is 40,000, and I think that Cradley Heath and Old Hill would account for between 13,000 and 14,000. The nurse feels that there are not sufficient doctors in the district. They are all on the panel. With regard to midwives, there are only two in Cradley Heath. They have had no proper training, the nurse says, and are quite illiterate. One of them cannot read or write. They get the women out of their beds on the third day after confinement.

11,383. What sort of midwives are they? Are they certified midwives?—These midwives apparently have been passed by the central authority, but we know from the certificates which we get that they are quite illiterate. The nurse says that one of them cannot read or write, and the nurse considers that it is impossible for this woman even to take a temperature. The nurse says that the women are got out of their beds on the third day after their confinement to have the beds made, which is a very dangerous procedure. Nearly every child has thrush. A great many of the women suffer from white leg. The nurse attributes a great deal of the excessive sickness to lack of proper treatment during pregnancy. She also attributes it to lack of nursing in the district in the past. She has had some cases of ulcer in the legs which have lasted 10 years, and in one case it had lasted 14 years. The nurse says that she cured this case in three weeks. Before the nurse went there, the women had to dress their own ulcerated legs. The nurse came across one very bad case of a woman who was doing this, and doing her housework as well, when she really was not well enough to stand. She feels that a lot of the sickness in Cradley is attributable to neglect in the past, and on that she says that appliances are not obtainable and are not prescribed.

11,384. What sort of appliances?—I was coming on to that in the general evidence. She refers to a case of a woman with conjunctivitis. The doctor never explained what was the matter with her. She read this in her certificate, and thought that she was suffering from some terrible complaint. Glasses, the nurse says, were never suggested, but the woman got glasses on the nurse's suggestion, and she is now quite recovered. Until the nurse went down, the doctor did not give notes for lint or dressing from the chemist. Since she went there they have been got. She finds that the teeth of many of these women are in a very bad state, and she thinks that this accounts for their digestive troubles. One woman was supposed to have had gastric catarrh. On the nurse's suggestion she had her teeth out, and she recovered in about a fortnight completely. The doctor had been dieting her, and treating her with medicine. The nurse thinks, and we feel too, that a great deal of the illness in the district is due to the conditions of work. One doctor says that the prevalence of gastric trouble is partly due to the sulphur from the brise which they make use of. The people stoop over the fires as they work, and the workshops are low and not sufficiently ventilated. The nurse thinks that several of the cases of eye inflammation are due to the heat of the fire, over which

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[Continued.]

the women work, and to having to work in a very bad light. There is no artificial light, so that at night they work only by firelight, and they have to look very closely at the work. The varicose veins and ulcers from which many of these women suffer are attributable to the long standing involved in this particular work. Then she also complains that the water supply is very defective, and is not laid on in the houses. I am only giving this outline because I think it is useful to have evidence from Cradley Heath. In our opinion the sickness is caused by these factors—insufficient doctors, lack of nurses, and nature of occupation. We have analysed the diseases in Cradley, and we find that 21½ per cent. of the total claims arise out of confinement, 23 per cent. are bronchial or throat troubles, so that these two things together account for 45 per cent. of the claims in the district. I also want to say that 7 per cent. of our claims there are due to injuries, and, were it not for the fact that the people are outworkers, we should be able to recover compensation.

11,385. Are these injuries sustained at the work?—Mostly, I would not say that they are all. We attribute 7 per cent. of the claims to cases where we could have recovered compensation if the Compensation Act had applied.

11,386. Do you wish to say anything more about the variation in different districts and occupations?—I think I gave that information a little while ago when dealing with the cost.

11,387. Coming to this next general question, what do you say about unjustifiable claims generally?—Before going into that there is one other thing that I desire to mention. In the Acton branch, where the sickness is heavy, 20 per cent. of the cases arise out of confinement, and 21 per cent. we attribute to the occupation.

11,388. When you say "arising out of confinement" do you mean that the claims are made before the child is born?—They are connected with the claims made before or after it; they are connected with the maternity.

11,389. Are they claims which come in before the birth, or which may arise afterwards in consequence of something that has gone wrong during that period?—They are both.

11,390. You cannot analyse them? They are on quite a different footing from the point of view of our inquiry?—Miss Enfield tells me that this 20 per cent. all relate to cases after childbirth. 21 per cent. of our claims are for varicose veins, ulcers, and bronchitis, all of which might be expected, we consider, from the nature of the occupation in laundries.

11,391. (Mr. Wright.) Are the laundresses working in a laundry?—They are working in all sorts of laundries.

11,392. You do not mean women who go out to private houses?—No.

11,393-4. (Chairman.) The total of 2,600 cases which you gave us is the total of all the claims that have been made?—In the whole society for the six months. The table which I have given of the cases lasting 26 weeks will not apply, because that has taken every case that has lasted 26 weeks up to now, but this age distribution only applies to the first six months.

11,395-6. Can you give us the average duration of the cases?—I have got it for six months for the branches outside the central branch, and the average duration is five weeks one day.

11,397. What is it for the cases in the central branch?—We have not worked it out for the others, but we have the average length of claim in all the branches, so that if there is any interest in any particular branch it can be seen. In Acton it is six weeks three days, and in Cradley it is five weeks, that is in the first six months.

11,398. Will you go on now with your general statement in reference to the question of unjustifiable claims?—My experience leads me to believe that while some claims that are not justifiable have undoubtedly been made, the proportion of such claims to the whole number is extremely small. The proportion of them that are allowed is of course still smaller. I think

that the number of not quite justifiable claims has not been more than what we expected with any system of sickness insurance, and probably not more than would be allowed for in the actuarial margin. So far as my experience goes, the alleged excessive claims, into which the Committee is inquiring, really exist as regards certain occupations, certain localities, and certain conditions of life, and, therefore, mainly as regards certain approved societies in which there is segregation, but I do not believe that any large proportion of this excess, where it exists, is due to what is termed "malingering." Of course there is a proportion, but it is only a negligible proportion in my opinion. In my opinion the causes responsible for the total sickness claims being in excess of what was expected are, first, the existence among the previously uninsured class of 8,000,000 of persons of much more sickness than we have been conscious of, and, second, the fact that many members of friendly societies chose not to enforce their full rights, foregoing benefit to which they were strictly entitled, while there is naturally no such feeling towards a State scheme; and, third, the fact, I think, that the doctors are now less restrained from ordering what they think is right for the patient than they were under the old system. In my opinion the causes responsible for sickness claims being in excess of what was expected, in addition to the general causes just adduced, are that the society's membership happens to be made up, beyond the general average, of classes among whom there exists a higher rate of sickness than was to be expected from the experience of the old friendly societies, and with regard to whom the new freedom of the doctors to do what was best for the patient operates more powerfully. I do not think that malingering plays any large part in the problem.

11,399. What do you mean by malingering?—A claim for sickness benefit by a person who is not ill.

11,400. Do you import a wilfully guilty mind or not?—Well, knowingly. I do not think that any large proportion of the people are getting sickness benefits, and are at the same time in good health.

11,401. You do not think that there is much of what you could call deliberate and conscious fraud?—There is hardly any deliberate and conscious fraud.

11,402. Short of that, may there not be states of mind of many degrees?—I do not think that there are many people drawing sickness benefit who are really fit to be at work.

11,403. They may be unfit to be at work for many reasons; many of us might be unfit to be at work for reasons for which we could not claim from the funds?—I think that the great bulk of the people who are receiving sickness benefit are genuinely ill, and I think that the doctors consider that they are entitled to it.

11,404. Can you make your statement a little more definite by an indication of the number of claims which you think ought not to be made?—I think there are hardly any that ought not to be made. On the contrary I think that we are not paying many people whom I should like to pay from the point of view of health.

11,405. Is there not another point of view? I want you to put out of mind the point of view of the person who is simply anxious for the general amelioration of the health of women, and to consider the matter merely as an official of the society engaged in paying the claims?—The whole thing turns largely on a question of interpretation, as to which there is a difference of opinion.

11,406. The first question is the meaning of "incapable of work"?—The difficulties are the interpretation of the phrase "incapable of work," and cases of incapacity due to pregnancy.

11,407. What view does the society take of "incapable of work"?—What view do they act upon?—I understand that under the Act it is primarily for the doctor to say whether the insured person is incapable of work. I have formed the opinion that doctors—I do not at all say unjustifiably—have, since the Act, pronounced insured persons to be incapable of work in cases in which they would not have pronounced them incapable of work, if they had not been insured at all, and possibly even in cases in which they

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would have hesitated to throw them on friendly societies' funds. What was the use of a doctor telling a woman that she was incapable of work, and ought to stay at home, when he knew that she was uninsured, and had to earn her children's bread from day to day? Now the doctor feels free to certify that the woman must in the public interest, as well as in the interest of her own recovery of health, regard herself as incapable of work. This results in excessive claims, but I am not prepared to say that they are unjustifiable.

11,408. Excessive in what sense?—More than one would expect,—more than was foreseen.

11,409. Do your society act on the view that a woman who is capable of doing any work is not "incapable of work"?—It is very difficult for an approved society to know what to do in such a case. The practice of my society is, in the absence of any ground for suspicion, to accept the doctor's first certificate, if it is properly worded and signed, and if the disease specified seems to be adequate to cause incapacity. With regard to renewal certificates, we make the additional requirement that the disease specified must be such as normally to warrant so long a period of benefit as is in question, and if it is a disease that we have found to be used as a cover for incapacity due to normal pregnancy, such as dyspepsia or debility, further inquiry is first made.

11,410. When it is merely what you call "normal pregnancy" you do not pay, or you think you do not pay?—We do not pay for normal pregnancy.

11,411. If it is a perfectly normal case, going right through to birth, you do not pay?—In several cases we have paid for advanced pregnancy. We have been in great doubt about it.

11,412-3. Would you pay anyhow, or would you raise objections, or what would happen if a woman in advanced pregnancy endeavours to get on?—We make investigations.

11,414. That is to say that you do admit advanced pregnancy as satisfactory evidence of incapacity?—We have admitted it.

11,415. Is that your usual practice?—Miss Enfield says that our usual practice is not to pay benefit unless there is a complication, but I have in my mind cases that I have been personally in touch with, where we have paid for a fortnight and three weeks beforehand, where no complaint was certified, but where we were satisfied that the woman was absolutely incapable of work. I believe that it will be found that the claims relating to illnesses connected with pregnancy, and with women's special complaints, are responsible for the greater part of the excessive claims among women. I do not think it fair to assume that excessive claims among married women point to any special addiction to malingering among married women, until the statistical facts of these special women's illnesses have been more precisely explored. I think that the differences in sickness incidence that appear to exist among different societies may possibly be attributed to the uncertainty in which they have been left as to the meaning of the Act of Parliament in this respect, and their consequent difference of practice. The Act makes it clear that sickness benefit is payable when the insured person is "incapable of work from specific disease or bodily or mental disablement." There seems to be nothing in this phrase, or in any other part of the Act, to exclude from eligibility the incapacities caused by pregnancy, or the monthly period, or the change of life any more than incapacities caused by any other sort of bodily or mental disablement without specific disease or other complication. This was our original view, and we were fortified in it by the statement in the Handbook to the Administration of Sickness and Maternity Benefit issued by the Commissioners.

11,416. What did you mean by that? I do not quite understand what the handbook said that was of any assistance to anybody on that subject?—I understood from the handbook that sickness benefit might be in respect of illness due to pregnancy for periods both before and after confinement, and that there was no mention of specific disease or other complications.

11,417. You are referring to the same paragraph (No. 110) that has been referred to already?—Yes, the paragraph which has the asterisk, and the little footnote to say that the incapacity may begin before or continue after confinement.

11,418. The whole of the paragraph refers to incapacity, and assumes that in the mind of the person to whom it is addressed?—At any rate, we read it in that sense, but subsequently we learned that the view was being taken that the Act did not include among the incapacities due to bodily or mental disablement those resulting from pregnancy without complications or specific disease. The view seemed to us to be based on the argument that any incapacity to work, however real, which resulted merely from a normal function was not an incapacity for work from bodily or mental disablement entitling to benefit under the Act. I know that this has been applied by some societies to cases of genuine incapacity for work due to monthly periods or change of life. Though I have no view on the legal question as to what the Act means, we have been reluctantly obliged to refuse payment in mere pregnancy cases, not by disputing the fact of incapacity for work, as to which point it is difficult to go behind the doctor's express testimony, but by not admitting claims where the incapacity was apparently due to nothing more than pregnancy. That is subject to one or two limitations. In practice we admit claims where the incapacity to work is stated to be accompanied by varicose veins, or, of course, any specific disease, and where the woman is stated to be liable to miscarriage if she goes to work; but I think that, in common with ourselves, most societies feel a great difficulty in these cases, and there is a very general desire for clear and definite directions. In the absence of such directions the so-called differences in sickness incidence among different societies including married women members may be largely due to a difference in the extent to which they pay for the incapacity for work certified by the doctors, as caused by uncomplicated pregnancy.

11,419. Does the practice which you have been describing prevail generally through the society, or are you speaking more especially of the branch which you administer?—I am speaking of the whole society, because no claims are paid without the authority of the head office.

11,420. Do you think that the administration locally is as firm as it is in the head office?—Very often we get representations from our local people that we are too strict, but the local people have no power to pay without our authority.

11,421. But they exercise perhaps a great deal of pressure?—It is not pressure to which we have given way.

11,422. They are, I suppose, continually pressing for these local claims, and saying that these women ought to be paid?—We are continually pressed not only from our own people locally, but from ever so many outside sources. We never refuse a claim of any kind without protest and representations from outside, and very often from our own local people.

11,423-4. Nobody can look at these figures which you have given without being struck by the fact that there is an enormous difference between the outside branches and the central branch, and I was wondering whether that was in your mind?—It is a curious fact that our visiting is much more perfect in the branches than in the central branch. Every member is visited once a week, and we find, for instance, in one branch that the girls—they are very young people—are very jealous of every claim that is made. They do fully realise that the money belongs to them, and they are extremely anxious not to pay unjustifiable claims. That applies to the Edmonton branch. At Cradley Heath we sent down a special representative, and the most strict supervision is being exercised over the payment of all claims in that district.

11,425. When did you send your representative down there?—In August.

11,426. Does that not point to the fact that by August you had been convinced that unless you exercised control from the head office over what has

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happened, you would have trouble?—Our representatives were sent down several times, and we could not find any cases where money seemed to have been unjustifiably paid. We have our referee's reports, which I will refer to presently, to bear out my views.

11,427. Does every payment in the first week of sickness have to be authorised from the head office before it is paid?—Yes, not a penny is paid either for the first week or the following week without an authorisation from the central office.

11,428. That must mean that the central office has got to do its work in reference to claims extremely expeditiously to get the claims through in time?—If there is any doubt about a claim, we defer it.

11,429. In the figures which you have given us the difference between the central branch and the rest of the country is enormous, and I would suggest that there must be some common cause, common to the whole country, to account for the difference?—We consider that all our best lives are in the central branch, and these branches where the sickness claims are heavy are segregations of a great many who are industrially employed in strenuous occupations.

11,430. Have you got 50 per cent. of all your members in the central branch?—Yes; if you analysed that central branch you would find a tremendous variation in the central branch. For instance, taking our charwomen in the central branch we should find just as heavy incidence of sickness among them probably as among the laundresses in any specific branch, but in the central branch we have a number of our best people.

11,431. Is there not a great deal besides that? Do you not feel that the fact that you are actually engaged in the administration of the central branch makes a great deal of difference?—We have never given way to the pressure that has been put upon us from the localities.

11,432. All these people in the localities have the trade union aspect as well as the sickness aspect in mind?—Yes.

11,433. And I suppose that for every case in the area there is a trade union woman looking after the operation of the scheme?—Yes.

11,434. I suppose she is thinking a great deal about the trade union as well as the society?—We have taken every step to make these local women take the society point of view. I think most of them do now. At H—, for instance, we have lost a great many members of our trade union because we refused to pay where members were resident in convalescent homes. It was pointed out to us that other societies were paying, and that that caused a great deal of dissatisfaction, but we did not feel justified in making any concession on the point. It may account for some slight difference, but I do not think that the difference as between the central branch and these specific branches is due to any laxity so far as the branches are concerned.

11,435-6. Is it quite a question of laxity? Is not the pressure from every point of view on your people in the country very heavy indeed?—But they cannot pay.

11,437. They make your life not worth living?—It has been made not worth living recently. Miss Enfield tells me that the pressure from the other branch is just as great as from the district branches; in fact, a great many of the individual members are resident in London, and we find indignant husbands coming to the office, and the pressure has been just as great on this department as any of the others.

11,438. But there are stronger people to resist it?—If I thought that, I would admit it.

11,439. I only wish to know that all these things have been before your mind?—Yes, and I am of opinion that what you say does not account for any excess.

11,440. Have you refused a fair number of claims?—Yes.

11,441. You say that during the first six months you had 2,000 of these women claiming?—Yes.

11,442. How many claims have you rejected in that period?—The pressure comes in cases of pregnancy, and in cases of debility and anaemia, where we have

been taking the line that a member was not suffering from any specific disease. But these people very often have been in bad health, and it was only with the greatest reluctance that we have refused their claims, but pressure has come in all these cases where we have refused benefits.

11,443. What sort of number have you refused?—Miss Enfield says that we hold back about 25 per cent. for investigation.

11,444. Could you tell us how many of those 25 per cent. eventually get through?—They are very often pregnancy cases, uncomplicated pregnancy, and we simply take the line that unless there is some complication, or unless it can be proved to be injurious to the woman to work, we understand that we are not entitled to pay. That accounts for the largest number of refusals.

11,445. Are there a good many of the 25 per cent. where the real question at issue is the incapacity for work?—Yes, a good many cases.

11,446. Is the 25 per cent. which you mention, 25 per cent. of initial claims?—Yes, it does not mean that they are all refused, or anything like it. They are held over for investigation.

11,447. You cannot tell me how many are refused?—I should not think it is a very large percentage; the great majority of them are authorised, but watch is kept as to how long they last.

11,448. Have you anything further to add with regard to your general statement as to excessive claims?—The excessive claims to sickness benefits in comparison with expectations are in my opinion in a large measure attributable to the enormously increased resort to the doctor. My experience leads me to believe that with the entry into insurance of 8,000,000 uninsured persons, and the change from a mutual to a State-aided system, there has been a great increase in going to the doctor for every little ailment, and seeking a certificate of incapacity for work for illnesses under which the patients would formerly have continued at work. This has been due partly to the mere advertisement of insurance. Thousands of persons, who could not afford to consult even a "sixpenny" doctor, are now in a position to get medical advice and medicine free. They may, or may not have heard that it is their bounden duty to seek medical advice in the very earliest stages of illness. Quite naturally they go to the panel doctor for every cold, or dyspepsia, or anaemia, or cut, or sore. It cannot be said that these claims for medical benefit, however excessive in comparison with their previous habits, are unjustifiable or against the public interest. What I desire to point out is that the regulations for sickness benefit actually increase this tendency. An insured person can usually get sickness benefit only from the fourth day after the doctor has certified his illness to have begun. It is therefore the plain duty of the patient to get the certificate that his illness has begun at the earliest possible stage of any illness, however slight it seems, in case it should turn out three days later to incapacitate him from work. The larger the proportion of the whole population that have access to the doctor, the greater will be the number of cases in which a certificate of incapacity for work will be given. This need not mean that the certificates are wrongfully given, or that the consequent claims to sickness benefit are unjustifiable. It seems to me that among the sick persons there are many whom the doctor quite rightly certifies to be incapable, who would nevertheless formerly have gone on working, worsening their condition from hour to hour until they finally broke down. These persons now go to the doctor at the earliest sign of ailment, leave off work as soon as the doctor certifies them as incapable, and continue on benefit, unless the approved society intervenes, until he certifies them to be well enough to resume work. It is these persons who, in my opinion, account for much of the "excessive claims," but it is difficult to say that their claims are unjustifiable, or in excess of what they are legally entitled to. It seems to me that the allowance made in the actuarial estimate for this new demand was insufficient. I should like to point out, however, how difficult it often is for a society to know how to interpret the doctor's certificates. I

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think there is a failure among doctors to distinguish between illness and incapacity, and that this leads to the granting of certificates for incapacity in cases of illness which do not necessarily incapacitate at all—for instance, ringworm. I think that this is also responsible for certificates being given after the period of incapacity is really over. We have had cases of doctors certifying members as incapacitated who, upon inquiry, really only needed rest and change. We had one case where a member sent in a claim for neurasthenia and debility. Correspondence with the doctor, however, revealed the fact that her illness, rheumatism, during which she had not given up work, was over, and that he now thought that rest and treatment were desirable for her.

11,449. Do you suppose [that in that sort of case payment is being made?—We did not pay in that case, but it was with qualms that we refused payment.

11,450-1. What were your qualms?—Because this woman had been working while ill, and the doctor said that rest and treatment were desirable for her. She could only get that rest if she were paid sickness benefit.

11,452. Have you had cases like ringworm stopping on too long, in which in fact people are merely obtaining rest and change?—Not in our society: our supervision is too strict.

11,453. Has it been strict all the way through?—Except, perhaps, during the first few months.

11,454. Are you prepared to say that none of this heavy rate in the outside areas is due to any one of these three causes?—It cannot be; it is impossible.

11,455. Do you think stopping on too long, in spite of your firmness, may have affected the rate?—It may have done, but if the doctor says a woman is incapable of going back to work, the only way of checking him is to get the opinion of another doctor. This failure to distinguish between illness and incapacity will probably also account for the large number of cases of more or less chronic illness, due check on which presents so many difficulties to the society, such as rheumatism and bronchitis. In the case of continuing certificates, the interpretation of the words "incapable of work" presents an even greater difficulty to societies than in the case of initial certificates. It is comparatively easy for a society exercising due care in the supervision of claims to determine whether the certificate is sufficient evidence of incapacity in the first instance. Once having accepted it, however, there is no justification, in the absence of a direct proof of capacity, or a further medical opinion, for refusing to accept an identical later certificate. Only medical opinion can determine the point at which incapacity ends and convalescence begins, and failure to distinguish between the two probably accounts for many of the prolonged claims which many societies are experiencing.

11,456. Including your own?—Including our own, to a certain extent. I feel very reluctant to admit that we are paying unjustifiably, because we have made such tremendous efforts to prevent it.

11,457. I know how difficult it must be for anyone who tries to perfect a machine to look back upon it and admit that it is not in all respects completely perfect?—Of course it has not been completely perfect. The whole point of my evidence is that it is not perfect. I am speaking of what applies now. You will observe from our figures that our sickness experience went down considerably in the third quarter.

11,458. I was about to point that out to you?—That is certainly due to our very strict interpretation of the Act. For instance, we got these decisions, as we thought, later on. Until the matter was raised in the House of Commons we did not distinguish to such a large extent between total incapacity for work and partial incapacity as we do now.

11,459. You are finding that this attempt to make these strenuous efforts is doing you harm?—Certainly; serious harm. In 14 of our branches the average length of claim up to July 12th exceeded six weeks. Considerable difficulty has also been experienced in regard to the wording of certificates. A certificate, for

instance, is sometimes so vague as to be of very little value as evidence of incapacity. It is by no means easy to obtain further information in these cases, the feeling among some doctors apparently being that if they have certified incapacity, the society has no concern with the diagnosis. That still exists. The importance of a medical diagnosis from the point of view of keeping due control over the claims cannot be over-estimated.

11,460. Do you not see that, having met with that difficulty, and having failed to overcome it as a circumstance outside your own control, it must have had an effect on your claims?—We are rather pointing out our difficulties.

11,461. Does it not follow, because you have met these difficulties, which apparently from your point of view are insuperable, and have not wholly overcome them, that they have affected your claim rate?—Probably they have affected our claim rate.

11,462. Do not think I am disregarding your statement as to the excessive sickness among women, but must it not have affected the claim rate?—I felt that we were refusing payment in many cases where, in the public interest, it would be better if we paid it.

11,463. There may be different views as to that?—I suppose so. I mean that we hate to refuse a good many of these claims. We only do so because the money seems insufficient, and we seem to be legally permitted to refuse.

11,464. What I am suggesting to you is that apart from all that, and the difficulty you have and the way in which you have tried to grapple with it, yet you have failed to some extent, and does it not follow that it must have affected your claim rate?—It has affected our claim rate, but it has affected our administration account even more. It has added to our difficulties even more than to the volume of our sickness claims.

11,465. But it has affected the volume of your sickness claims?—Probably it did in the early days.

11,466. What about getting off the fund? Has that not affected the rate, and is it not there that the heaviest part of the rate comes in?—It has been found that these vague complaints, for instance dyspepsia, debility, and sickness, often prove to be cases of pregnancy. In other cases—this is only in a few cases—we have found that a complete diagnosis would have revealed a compensation case. In others anæmia, chill, and so on, have been certified in cases of phthisis. I do not for a moment wish to suggest that, in all cases of vague certificates, the fault lies with the doctors. I fully realise the extreme difficulty under which many panel doctors are labouring in giving diagnoses. I only here wish to emphasise the importance to the society of obtaining a sufficient diagnosis if due check is to be kept on the payment of claims. At the same time I have had experience of a considerable amount of carelessness in the granting of certificates, which adds very materially to the difficulties under which a society always has to work. We have had certificates given without examination; certificates for confinement given weeks before it has taken place; certificates for incapacity dated after the member had declared off and returned to work, and many certificates on which no disease at all has been stated.

11,467. Can you give us any area, or any idea of the extent of the areas, in which these things are happening?—It is most difficult in certain districts. Our most difficult district, in the matter of dealing with doctors, is E—.

11,468. That is H—?—H— and C—. We have reason to believe that the view taken by the doctors in E— is that the nature of the complaint has nothing whatever to do with the society. I have certain cases of vague certificates which I might give to the Committee. We had the case of one woman who was certified as incapacitated by "debility," and the doctor declined to give us any further information.

11,469. Where was he situated?—He is an E— doctor.

11,470. Did you complain?—We complained. We sent many complaints to the E— Committee, but we could get no satisfaction. We have another case where a H— doctor certified that a girl was incapacitated by "pains and cough." We wrote a polite letter asking him to give us further information. This

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was his reply:—"Re claim of ——. She tells me that you refuse payment to her unless she has a certificate stating some more definite disease. May I ask you what more definite disease than that? If you wish for a bacteriological examination, perhaps you will notify me, and send me the fee, which is 10s. My certificate as a bachelor of medicine of the University of London stating that this girl is unable to work is correct, and I fail to understand your request."

11,471. Did you take any further step?—We reported it to the committee, and got no satisfaction.

11,472. Did anything happen?—We had a long correspondence, and then we were told that we were giving more difficulty than any other society.

11,473. Is it not rather unfortunate to leave it there?—The clerk has now promised that if we send these cases to him in future, he will see what he can do.

11,474. I should have thought that the Commissioners might have had something to say to the bachelor of medicine?—We send a good many of these things in to the Commissioners. Of course, we have a great many cases of certificates being given for many different complaints to the same person. Here we have a case in London, where a woman was certified as suffering from "catarrh." We politely asked for further information, and this was the doctor's reply:—"I distinctly refuse to issue any other certificate than this. I have certified — as being unable to work owing to illness, and I am not going to be dominated by any official of the National Federation of Women Workers. I think it high time that common sense should be shown in the dealings between women and women." In another case a girl was certified as incapacitated by "sickness and debility." We asked for further information, and in reply the doctor said:—"In reply to enclosed letter, I am greatly surprised at your decision respecting my diagnosis of sickness and debility. I beg to state that we doctors are not forced by any sections or society to give any diagnosis whatever. Surely what I have stated is quite enough for anyone to claim their benefits from. If this sort of thing goes on much longer, the doctors will refuse to give any diagnosis whatever. Sickness and debility are in themselves very serious maladies."

11,475. What is the date of that?—That is an earlier one. We had a case where two sisters were certified on the same day to be suffering from colds. We wrote to the doctor for further information, and he replied:—"I have pointed out to the above that they must be totally incapacitated from work in order to obtain the benefits of the Insurance Act." What he meant by that we do not know, because he had certified the cases as incapacitated. Now they have changed their doctor, and sent in certificates from another doctor. That case is still pending.

11,476. What does the new doctor say?—Rheumatism. I am only giving these as examples of our difficulties. In one case the claim was withdrawn. I have endless cases of this sort, but I am only taking one or two. In one case a doctor certified a woman as being incapacitated by "neuralgia." Further information was asked for, and the doctor replied:—"If the secretary reads the certificate sent, she will see on it that bodily disablement is sufficient to entitle the patient to a certificate of illness, and if the doctor considers rest necessary for a patient's recovery, that would also be, in the doctor's opinion, another reason for granting a certificate which has been sent to the secretary, in the form drawn up by the insurance committee."

11,477. Where is that case?—London. We had another case from H— where the woman was certified as incapacitated by "debility." We asked for a more definite diagnosis, and the doctor sent a blank certificate with the reply—"If you are not satisfied with debility, you shall have nothing."

11,478. When was that?—That is comparatively recent. We had a certificate from Newcastle for "neuralgia." We discovered that the woman had had an accidental blow on the head, and that the accident occurred while she was at work. We asked for further

information, and the woman replied:—"I have called on the doctor, and he informs me that the certificate is sufficient to get any benefit, and that I am incapable of working, and that the neuralgia is, of course, through the blow on the head." Had we not had a correspondence with the woman, there would have been nothing in the certificate to suggest the possibility of a compensation case, because you would not think that the neuralgia was the result of an accident.

11,479. Why was it thought necessary to probe behind neuralgia?—Neuralgia is indefinite, and we should want to know what was behind it in order to ascertain the length of the claim. It was an amazing case. In another case a woman was certified as incapacitated by "whitlow of finger." The branch secretary was suspicious and examined the finger, and found that it had been poisoned while the woman was at work. She reported this to the doctor and asked for a correct certificate, as it would be a compensation case. She got this, with the remark that the girl's employer would not like it. The branch secretary reports that it is a bad case and that it is not unlikely that the girl will lose her finger. We had a certificate in another case for "illness," and were told that it was impossible to give any further information. In that case we withheld payment. We had the case of another girl who was certified by five different doctors at different times to be incapacitated by "anæmia." The sick visitor reported, after the sixth doctor had examined her, that she found that she was suffering from lung trouble.

11,480. How did she manage to get the services of so many doctors?—I do not know. We had a number of cases where various things were certified as rather a cover for phthisis. That is understandable. We had another certificate saying that a woman was incapacitated by "weakness, headache and sore back." We asked for more information and the doctor replied, "Mrs. — is now suffering from a definite illness, and is a person who is entitled to sick pay until I give her a certificate that she is fit for work. At the present time she is not in a fit physical condition to perform her usual duties, and I am astonished that a request should be made for a further certificate." We have a great many cases where the doctor refuses information. We had one yesterday where the doctor refused to give us any further information, so that we have had a good deal of trouble with doctors on that head. We have had a number of cases showing that the doctors do not distinguish between illness and incapacity. There was one case where the certificate was sent in for "nervous debility" with a letter stating that the girl must be out of doors as much as possible. Further information was asked for, and a second certificate was sent for "neurasthenia and debility," and we got the following message from the doctor, "He is perfectly amazed at the answer you have sent me and asks me to state that if I do not receive sick benefit within three days, he will himself write to the Insurance Commissioners."

11,481. Did she get the sickness benefit in three days?—No. We afterwards got a letter from the doctor saying that, before sending the correspondence to the press, he would like to know why we had refused benefit. We replied that we had not refused, but were awaiting further information, and that we must be satisfied of total incapacity, and not merely incapacity to follow a particular employment. Then there was a letter from the doctor explaining that the patient had had an attack of rheumatism, but had not given up work, and that what she now needed was "rest and treatment." As a result of that we did not pay. I think that that case shows that we do not give in to pressure, because there we were threatened with communications to the Insurance Commissioners and the press. We also had a case of ringworm. This was refused on the ground that we were not satisfied that ringworm would cause incapacity. We paid one week, but further information was asked for from the doctor, and the doctor replied: "I understood that any medical condition which incapacitates a person from performing her work came under the National Insurance Act. Ringworm, when recognised, certainly incapacitates, as no mistress or master will allow, and rightly so, a

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"servant to carry on her duties owing to an infectious danger."

11,482. Was this the case of a domestic servant?—Yes. The letter continues: "In every way, of course, such a person is healthy, but the fact remains that owing to the medical condition, the occupation is gone. I fully appreciate that grave responsibility rests with us all in such matters, and I have always been most conscientious for both parties, but if the law allows for incapacity benefit due to an illness, however minor the manifestation, then your duty is clear. If the decision is that ringworm is not an illness under which benefit can be claimed, do not pay, and you shall have full support." After paying for a week, we refused further payment on the ground that it was a case not of incapacity, but of infection, and that infection was included among additional benefits, and not yet in force. There is one more case which I might quote, in which the doctor gave a certificate to a woman that she was "unable to follow her usual work." After corresponding with him, he informed us that she was able to do light work.

11,483. In all these cases have you refused payment?—We have to, but we do not do so willingly. We have a number of wrongly dated certificates, and certificates given without examination.

11,484. Can you explain what you mean with regard to that?—There are two similar cases in different districts which I should like to quote. Those are cases in which the doctors certify that the woman was incapacitated as a result of her confinement. In the first instance, the confinement did not take place until a month later, and in the second case, not until five weeks later.

11,485. What was really moving in his mind?—The doctor said: "This woman applied to me for a certificate of being 'unable to work' on account of her condition of approaching confinement being due, and which presented symptoms of coming on at any moment." The actual delivery, however, did not occur until a month later. There was another case where precisely the same explanation was given. The doctor said: "The patient tells me that she told him (the doctor's assistant) that she was expecting any day and could not work, so my assistant gave her the certificate." I may say that we have been reproved by the insurance committee for reporting this case to them.

11,486. By what insurance committee?—Worcestershire. I have a letter here from the committee which came only yesterday: "Dear Madam, I beg to send you herewith a copy of a letter I have received from Dr. —, which I think explains the reason for his certificate. I notice that he has already given this explanation to you, so I cannot understand why you have written to me on the subject. If, however, you do not consider the explanation satisfactory, will you kindly let me know."

11,487. Who signed that letter?—The clerk to the committee. The doctor writes to the clerk: "When I saw she was in a state of confinement. . . . The word 'confinement' was used in her sickness certificate solely as the cause of her incapacity for work. (No other term would properly have expressed her condition.) The symptoms passed off for a little, but delivery occurred a few weeks later. I may say that this was fully explained some time ago to the society." Of course, maternity benefit might have been paid on that certificate. I will give you one or two cases where certificates have been given without examination. Here is the case of a woman who got five certificates without ever seeing the doctor. The certificates were sent through the post. This is our sick visitor's statement: "I went last Monday to see her, as I had an idea that the doctor did not see her each week. I asked her when the doctor saw her last. She said 'Three weeks ago,' as she was not able to walk to see him, and he had not been to see her. She had sent her form to him each week for him to sign. I told Miss — on Saturday to ask if the doctor had seen her. She said he had been to see her on Saturday morning and she was ready to go to Manchester for the week-end as the doctor told her she wanted a change."

Another report says:—"I have seen her doctor this morning. He says he did not advise her to go away, and did not see her before she went away. Her husband went to ask him if she could go. He told him she could go if she wanted to. It is more than a month since the doctor saw her at all."

11,488. What did you do in that case?—We did not pay.

11,489. Did you take any steps with regard to the doctor?—Apparently we did not in that case.

11,490. Where does the doctor live?—Nottingham. The doctor was visited by our sick visitor. We did not report him.

11,491. I wonder why you did not?—Because we have so much work that already we are spending a great deal more than we ought on administration, and we cannot take any steps unless it is of immediate advantage to the society; and also because those cases which we have reported have been so unsatisfactorily dealt with.

11,492-3. That is the worst case you have produced here?—The fact remains that we did not report it. Here is the case of a woman who was certified as incapacitated by influenza for 21½ weeks. On inquiring from her doctor whether she was still totally incapacitated, we got this reply:—"So-and-so complains of feeling weak, and states that she is unable to return to work. I really do not consider it necessary that she should continue taking medicine. I would suggest that she be examined by an independent medical man." Our referee states that she will be able to follow her occupation after she has had a holiday. This is our referee's report:—"Ill-health for several years. Worse since influenza in February. Chief symptoms vomiting, fainting, jerky movements, shortness of breath, headache, &c." Then she goes into technical details, and says that this patient is obviously a bad life, but, "owing to the extremely light nature of her work, which can be done while seated, after a holiday she will probably be able to follow her occupation again, but she is extremely likely to come on your books again."

11,494. The complaint there is with regard to the certificate of influenza; you do not complain of the other part?—I rather complain of the doctor's letter to us. He says that the woman complains of feeling weak, and suggests that she is unable to return to work, and that he did not consider it necessary for her to continue taking medicine.

11,495. Your complaint is that while she was suffering from Bright's disease, he said she was suffering from influenza?—He suggested influenza.

11,496. It is not a case where anything improper was in fact done?—It looks on the face of it as though it were improper. We have had several cases of doctors communicating privately with us. In one case the doctor sent for our nurse to tell her that one of his patients was a woman of bad character; that her sickness benefit was being paid by her to someone else, and that he did not think that she ought to be longer on the fund. Asked by the nurse why he would not declare her off, he said that she was still in bad health, and implored the nurse not to let it be known that he had said anything, or she would come and burn his house down. This woman was really ill, but her benefit was being used in an improper way. We got further information from her that she was not totally incapacitated, although ill. On that, under the circumstances, we stopped the benefit, because the money seemed to be doing more harm than good. I have already said something about pregnancy, but I would like to say that I consider that it is absolutely essential that more adequate provision should be made for cases of incapacity due to pregnancy. I am convinced that a large proportion of the heavy sickness amongst married women is due to their having been obliged to continue work although really unfit owing to pregnancy, and that if the full benefits of the Insurance Act as a measure preventive of disease are to be felt in the future, provision must be made for such incapacity. My point is that the non-payment will lead to heavier claims later on.

11,497. Will you be a little more specific? Do you mean that women ought to be kept from working

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during the whole period?—I thought that ought to be stated before disposing of the pregnancy point of view. As to the inadequacy of medical treatment, which is a very difficult subject for a lay person to tackle, my general experience has led me to think that societies, including our own, are seriously suffering in the way of prolongation of sickness benefit, and in recurrence of claims, owing to what is, in fact, from a lay standpoint, inadequacy of treatment. I am not competent to judge of this from a medical standpoint, and need hardly say that I do not mean to impugn the competence of the medical practitioners. I do not pretend to have any statistical evidence. But the arrangements made for medical attendance and treatment under the Act seem to me, speaking entirely from the standpoint of an administrator of sickness benefit, to leave, to a varying extent in different localities, some of the requirements of the sick unmet. I do not think that this can be left out of account as a possible cause of the excessive claims in some localities, and among some groups of members. I venture to suggest that it is, at any rate, a point which ought to be investigated before any conclusion is arrived at as to the causes of the excess and the means of preventing it. It may be said that the arrangements for medical attendance and treatment under the Act are no worse than they were before the Act. I thought at first that this fact negated any idea of their inadequacy being a cause of sickness benefit being in excess of what former experience led us to expect. But former experience was almost entirely that of a self-selected class of five or six million members of friendly societies predominantly of better-paid artisans, nearly all men. What we have now is an unselected mass of fourteen millions, including the poorest grades of labourers, nearly a third being females. I do not know to what extent the total provision has been increased, but it seems on the face of it, as if the total provision up and down the land for those entitled to sickness benefit may well be even less adequate relative to the demand for it than it was before. The point is, therefore, one to be inquired into. I would like to say something about the imperfection of diagnosis. There is an absence of provision for bacteriological, chemical, and other scientific aids to correct diagnosis, and for expert consultation. I am quite aware that these are available in London and some other large towns, at the voluntary hospitals, or the local Public Health Department. I am not sure that they are in all cases freely resorted to by the panel doctors, and it might be worth inquiring what the arrangements are in the several towns, and whether the medical practitioners are in all cases permitted, and encouraged, freely to take advantage of them. The differences between town and town in this respect may cause differences in the amount of sickness benefit. So far as I can learn, such bacteriological and chemical laboratories, and such gratuitous diagnosis, are not within reach of more than a few score out of the 230 insurance districts, and are especially lacking for dwellers in the country. I venture to suggest that this might be inquired into, to find out exactly where these aids to diagnosis do exist. Where not provided by medical charity or the local Public Health Department, no provision seems to be made for adequate diagnosis, in cases where the ordinary general practitioner is baffled or in doubt, as, of course, he must often be. I have been impressed, in the records of case after case, with what seemed to be failure on the part of the doctor to discover at his first examination, or even at his subsequent examinations, what it was the patient was suffering from, and with the doctor's practical helplessness under the conditions in which he has to work. He may suspect kidney trouble, or obstruction by some foreign substance, but he has neither the time nor the apparatus to test the patient's blood and secretions, or to use the X-rays. I cannot help thinking that part of the excessive cost of sickness benefit is due to the prolongation of illness, especially in cases of affections of the kidneys, and I imagine also of the heart and other organs, which would not have been so long drawn out, if the doctor had had available, for diagnosis, the resources of a bacteriological and a chemical laboratory, and a specialist consultant, such as would be used by

patients of means, or would be available in the general hospitals to be found in the large towns. I have talked this over with several leading doctors. I think, too, that, owing to a large increase in the numbers who resort to the doctors, the number of doctors in many areas is insufficient to cope with the work expected of them. Evidence of this comes especially from Cradley Heath, where there are not nearly enough doctors in that area to deal with the very large amount of sickness. The effects of this insufficiency on the sickness claims are obvious. A hasty examination is often inevitable; complaints in the early and therefore, for the moment, less serious stages are liable to be passed over in the necessity of attending to more urgent cases; and the doctors have not time to keep abreast of the most recent research. Where the diagnosis is adequate, the treatment, while doubtless the best the panel doctor can afford, is not infrequently inadequate to take the patient off the society's books either promptly or without recurrence. First, the panel doctor is not expected to deal with many serious cases at all—what are called hospital cases—except to advise the patient how he can get treated somewhere else. I have tried to find out where hospitals exist to treat these cases. The only list of voluntary or other hospitals known to me is Burdett's "Hospitals and Charities." I make out, as regards England, that there are general hospitals in about 70 or 80 towns. I believe there are about 300 municipal boroughs in England, so that at least two-thirds of the municipal boroughs are without a general hospital. In the smaller places there are, of course, often cottage hospitals of various sorts. I do not know how far these supply what we look for in a general hospital, but, so far as I can learn, the total number of places in which there is any sort of hospital, cottage or otherwise, does not exceed 500. The total number of sanitary authorities in England is between 1,800 and 2,000. If this is at all correct, it seems as if two-thirds or three-quarters of all the localities in England have no hospital at all within their borders, and consequently no institutional provision for insured persons for cases involving serious operations or requiring special nursing or needing, either for a quick cure or for permanent recovery, any other hospital treatment. I have been struck, on going over our records in case after case, with the reflection that many of these people might get well much more quickly if they could go into hospital. If this is the case, and if the medical attendance does fail to cover such cases, is it not likely that sickness benefit is being unnecessarily drawn upon in many cases, especially in the localities least well provided with hospitals, owing to the failure of the patient to get the adequate treatment which might more quickly and more permanently restore him to health? It is quite probable that outside London and the large towns the 14,000,000 persons, now all entitled to adequate medical treatment, are getting, on an average per 1,000 cases, less institutional treatment than the 6,000,000 members of friendly societies used to get.

11,498. Why do you say that? Do you mean that there is just the same provision for the 14,000,000 people, which is divided among them, instead of among 6,000,000?—Yes.

11,499. There are not 14,000,000 outside London and the large towns?—No, I am taking the 14,000,000 as a whole.

11,500. But you cannot have it both ways. Have you included the large towns?—I mean the proportion of the 14,000,000 outside the large towns. Except for those members in the large towns there is less institutional treatment available per head for the 14,000,000 than there used to be for the 6,000,000.

11,501. I understand you to say that there were 6,000,000 people who were insured in the friendly societies who went to see doctors, and that the rest did not go to see them, but the 6,000,000 who did go were in many cases sent to the hospitals, and that there are just as many from the new 8,000,000 who go to the hospitals?—Taking 1,000 cases, there is less institutional treatment available for that 1,000 than there was for the thousands in the old 6,000,000.

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11,502. I thought that it was a questionable statement that the 6,000,000 insured in the old friendly societies were the only people who went to hospitals?—I am afraid we misunderstood one another. No one seems to be aware of any arrangement by which the expense of sending poor people to the hospital of the nearest large town can be met. I have formed the opinion that where there is no free hospital locally available—which seems to be in three cases out of four—the panel doctor feels that he can do no more than give such palliative treatment as he can. Indeed, what more can he do? This is largely based on our Cradley Heath experience. I believe that this is causing a very heavy financial loss to some societies in excessive sickness benefit. I come now to other illnesses outside the sphere of the panel doctor. This kind of inadequacy has given rise to much complaint among insured persons. The panel doctor sometimes refuses to treat a case without payment of a special fee, not on the ground that he cannot treat it, but on the ground that by the contract which the insurance committees have made with him the case falls outside the scope of his duties. Here the patient thinks that he is not being fairly treated. The Act provided, as he imagines, that he should receive adequate medical attendance and treatment. If he has to pay a fee for some little thing that a doctor does to his eyes which proves quite within the doctor's capacity, naturally he does feel it to be rather an imposition. Sometimes the patient refuses to pay; sometimes unfortunately a poor woman has not got the half-crown that the doctor asks. Some panel doctors are treating all cases without charge. I am afraid that where the doctor stands on his rights in not a few cases, the patient goes without adequate treatment, and the society suffers from it in prolongation or recurrence of incapacity.

11,503. Have you instances of that?—Yes. Further, teeth would seem to be responsible for a large amount of illness. This also comes out in our referees' reports. We have had several cases where our referee has recommended the treatment, or removal of teeth, and when this has been done, the patient has recovered. We had one case of debility, and when the referee saw the woman she recommended, amongst other things, attention being given to the teeth, as a good deal of the trouble was due to that. Then we had another case where the referee said the woman's teeth were so bad that they were poisoning her, and we had another case where the referee said the whole trouble was caused by bad teeth needing removal, and by headache due to eyes. The referee recommended glasses, and the patient was able to go off the fund. We think eye troubles especially have proved responsible for many claims for sickness benefit which, had there been proper opportunity for adequate treatment, would probably have been much shorter, if they had been made at all. Our referee at Acton has reported three cases in which the only incapacity traceable was the result of headaches due to the eyes. We also feel that there is a lack of provision for consultation. We have been struck in case after case among our records with what seems to me a grave shortcoming in our provision. The panel doctor definitely diagnoses some grave heart or kidney trouble or gastric ulcer, but honestly does not know what to do for the best. It is no reflection on the medical profession to suggest that a doctor is sometimes at a loss to know what treatment to apply. There is no provision for a second opinion or specialist consultation, or even for calling in an oculist, or a surgeon. I am convinced that this is leading, especially in the country and in three-quarters of the places in which there is no hospital available, to an excessive prolongation of sickness benefit. It would, of course, not be practicable to lay on the great specialists of London for every case at Land's End or Berwick, on-Tweed, but it does not seem impossible to arrange for every case in which the practitioner thinks it desirable, that all the medical resources of the locality should be available for any insured person, or at least all the resources of the whole panel of that particular insurance area. I remember that in the provisional medical regulations first issued by the commissioners there was provision for the consultation of any other practitioner on the local panel, so that I take

it that the provision for a consultation is at any rate permitted by the Act. The provision was omitted from the medical regulations as finally settled, and I think that that was rather unfortunate. I want to draw attention to sickness caused by lack of nursing. I only wish to mention the absence of provision for nursing. I am not claiming that nursing comes within the legal meaning of adequate medical attendance and treatment, which the Act compels us to provide for every case without exception, but it is clear that a great deal of sickness benefit is being paid out for cases which adequate nursing would have brought more quickly to an end. The provision of nursing by a private philanthropist is of course quite scrappy. I believe that only a quarter, or a third of the parishes of England have got any kind of district nurse. I have heard that the Worcestershire County Council has its own staff of village nurses paid from the county rate. I do not know any other localities which have. I am convinced that inadequate nursing is responsible for a great deal of our present excessive sickness benefit claims, and that the excess due to this cause varies from district to district. I am especially convinced of this in the Cradley Heath district, where I believe our nurse in that area has reduced our sickness claims very considerably by giving treatment, which was not forthcoming before, to the patients. There is another insufficiency, we think—the insufficiency of appliances. The insurance committees seem to be absolutely restricted to the list of appliances drawn up by the Commissioners. It is plain that no list can include everything that may be genuinely required somewhere, or some time, by a particular case. It looks on the face of it as if there must necessarily be some cases in which in this respect adequate treatment is not being given. I should have thought that it might be possible to have left discretion somewhere to meet these cases. But apart from theory, we have had experience of serious omissions. There are cases in which patients who are ruptured have gone on drawing benefit for many weeks, when apparently they could have gone back to work earlier, and been safer from recurrence, if they had been able in some cases to be operated on, and in others to be supplied with a proper truss. Then there are the cases requiring elastic bandages for varicose veins which cause such a specially heavy burden on the funds of the women's societies. I have been told by a very competent doctor that a proper bandage sometimes makes all the difference between a patient being able to go to work without liability to early collapse, and having to remain at home. It is very unfortunate that certain elastic bandages and trusses are not supplied, and I think their lack causes unnecessary sickness benefit. There may be other appliances like crutches or spectacles of a particular kind, for want of which an insured person cannot return to work. This particular inadequacy may cause the societies further heavy drains when we come to disablement benefit. We cannot seriously contemplate a patient continuing to draw disablement benefit merely for lack of an elastic bandage or crutches, and it might even pay a society in some cases to provide artificial limbs. Then we have heard, though we have not definite information, of an analogous inadequacy of treatment in respect of drugs. Here the list does not prevent anything being specially prescribed, but it would be interesting to know whether or not expensive drugs are discouraged by some insurance committees. I noticed in the Press the other day that a circular had been issued by the Coventry Insurance Committee, I think it was, pointing out to the doctors that if they prescribed expensive drugs their floating sixpence would not be available, and it has occurred to me that possibly there may be more discouragement of the more expensive kind of drugs than we are aware of.

11,504. You do not put that forward as knowing it?—No. I only put it forward tentatively. I have been trying to think of things which should be put right owing to inadequacy.

11,505. You realise that there are a great many cases or suggested cases in which an inexpensive drug is as effectual as an expensive drug?—Yes, but I have been medically advised that if a patient suffering from

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certain diseases is treated in one way, he can recover quickly, and be in slight danger of subsequent symptoms; whereas, if he is treated in another way, his incapacity may be greatly prolonged, and he is likely to suffer from recurrence. There is a discouragement to supply certain expensive drugs.

11,506. I only want to suggest that the discouragement might be very wrong if it meant that a particular kind of drugs which were necessary were not prescribed, but if all that it means is that drugs which are less expensive but equally efficacious are given, it is all right?—Yes. I am advised by the doctors, whom I consulted, that there are some drugs for which there is no substitute, and that these are being discouraged.

11,507. You do not find anything in that Coventry circular discouraging the use of any such drugs as those?—I only quote that as an instance to show that possibly, in attempting to save the drug fund, a heavy liability may be put upon the sickness fund, as I cannot help thinking that part of the excessive cost of sickness in particular localities may be due to parsimony as regards the adoption of the more expensive kinds of treatment. It would be interesting to know whether any insurance committees, and, if so, how many, and which, have forbidden the use of particular drugs, and whether it is in the interest of the insurance funds that this should be done.

11,508. You do not know as a fact, do you, what kind of discouragement it has been?—I do not know in a way I am at liberty to put before the Committee.

11,509. I rather suggest that what they have done has been to say: "Do not prescribe a particular proprietary medicine when there is another just as good, and it does not cost half as much"?—I am not referring to the patent medicine prohibition with which I quite agree. Where the component parts of a patent medicine are known, the prescription should be, not for the patent medicine, but for the component parts. That is a different matter.

11,510. We should all probably agree that to tell people not to prescribe a drug which ought to be used in a particular case because there is no substitute for it, is very wrong?—That is my suggestion, that a certain drug has been discouraged, if not forbidden.

11,511. If there are two drugs, one of which is possibly more expensive than the other, the interests of the fund require that the doctors should be as far as possible encouraged to use the cheaper drug?—So long as the patient does not suffer thereby. Then I should like to say a word about defects in the panel system. I think the doctors' position under this system is far from easy. Every doctor must realise that the refusal to grant a certificate of incapacity, when asked, may result in the loss of his patient, and even conscientious men may be influenced by this knowledge in the direction of leniency in granting certificates, especially continuing certificates, where the degree of incapacity is doubtful or difficult to determine. That doctors actually feel this difficulty has been brought to my personal notice on many occasions. I have had correspondence on the certificates of doctors. One writes: "I have already incurred the resentment and hostility of numberless people by refusing to put them on the funds, or inducing them to return to work before they esteemed themselves fit." And again: "One of our most trying duties is the series of daily encounters with would-be malingers day by day. We give great offence, and incur the resentment of working-class patients and their friends by refusing to give certificates, or renew certificates, to people, who mistake unwillingness to work for inability to do so." Again, while free choice of doctors operates in such circumstances to lengthen claims for sickness benefit, the freedom of the doctor to refuse patients has also its disadvantages in that doctors are unwilling to accept a patient while ill, and the patient is in this way deprived of the right to medical benefit at the moment when it is needed, with the result again of lengthened incapacity. It may be objected that such cases would be very few, as the great majority of insured persons who felt themselves liable to need medical benefit would make their choice of doctors at the earliest moment. But it must be borne in mind that amongst those classes who are

constantly moving, if not from town to town, at any rate from one district to another, this may be a serious difficulty. At one time we had 400 notifications of changes of address in a fortnight. We have had experience of at least one such case within the last few weeks. A doctor refused to treat a girl, until she was better, without charge. He is the panel doctor for all the rest of her family, but to this girl he is charging 2s. 6d. a visit and 1s. for each certificate.

11,512. On what grounds?—That she was ill before she chose him. They moved from one district to another. The whole family went to the doctor and he took them on, but he refused to take on this girl because she was ill, and at present she is paying 2s. 6d. a visit and 1s. for each certificate.

11,513. Where is that?—In London.

11,514. Has it not been investigated by the insurance committee?—It was reported to the London Insurance Committee.

11,515. Is there any result?—They are looking into it. We never get anything definite from them. Of course the girl wishes to have this doctor because he is treating the rest of the family, but until she gets better he will not treat her as a panel patient. I must now come to special causes of excessive claims in particular societies. I think in a society composed wholly or mainly of members of certain occupations, or of industrial women, some at any rate of the excessive sickness claims appear to be due to the conditions of life of the insured persons. In a society such as ours, for instance, which consists almost wholly of industrial women, many of them working for very low wages, and under very undesirable conditions, there is of necessity a very high proportion of ill-health. Low wages, and all that low wages involve in the way of poor food, poor housing, insufficient warmth, lack of rest and of air, and so forth, necessarily predispose to disease, and although such persons may at the time of entering into insurance have been, so far as they knew, in a perfectly normal state of health, their normal state is one with no reserve of health or strength to resist disease.

11,516. Do you say, in fact, that owing to the inevitable segregation which follows from any system of dividing up into societies, certain societies are left with particularly bad lives from the sickness point of view?—I think that any society with large numbers of women employed in industry is bound to have these bad lives because of the conditions under which they live.

11,517. And you have exceptionally badly placed women? You told us that you did not have skilled trade unionists?—I should not like to say absolutely exceptionally, because, of course, there are hundreds of thousands of women in a similar condition.

11,518-9. I mean that you have taken them from the lowest stratum?—Yes, I am coming to our particular society in a moment, and that is rather interesting. We distinguish between admitting members into our branch and into our central section, which may account for the difference in the claim rate. We feel also that a certain proportion of sickness would seem to be more or less directly due to the conditions of work, and it strikes me as significant that there seems to be special excess in societies which draw their membership from certain industries. It has long been urged, for instance, that the work of girls and women in the cotton industry must have injurious effects upon their health. It is significant to find that there is a very marked excess of sickness claims from women in this occupation. In our own society, of course, we have found what seems to be an excessive sickness among the women at Cradley Heath, who are mostly chain and hollow-ware workers. We have also found excessive sickness among laundresses, and, from what I know of the conditions of employment in these industries, I think that before any accusation of malingering is brought against these whole classes, as compared with insured persons generally, there should be a medical inquiry into the conditions under which these women work. I am convinced that it is the bad conditions of the working lives that are responsible for most, if not all, of their excessive sickness. I also think that

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to some extent the Public Health Acts have not been sufficiently enforced, and we are at present trying to get up a case from Cradley Heath under the special clause of the Act.

Then, with regard to the practice of societies in admitting members, I desire to point out that apparently a great many societies during the rush of 1912 abandoned any idea of requiring medical examination of candidates generally, and I submit that this was well known to the Commissioners at the time. I understand that a certain margin was allowed in the actuarial estimates for this very relaxation of the strictest precautions as to admission. It would be interesting to know how much allowance was made. It must be remembered that during the months of greatest rush of new members a large proportion of the doctors were understood to be refusing in any way to co-operate with the Act, and it was believed to be impossible to get medical certificates. If medical examination had been insisted on, the appointed day would have found the great mass of the insured persons still outside any society, and if the nearly universal admission of members without medical examination is now causing the payment of more sickness benefit than was contemplated, I hardly think that the societies who admitted them can be blamed. I think, also, that it ought to be pointed out that once a bad life is admitted, his claims to sickness benefit, when he is incapacitated from work, can hardly be termed unjustifiable, however excessive they may prove to be in comparison with actuarial expectations. Once admitted to insurance, even the worst possible life seems to be entitled to all the benefits promised to him. It is the very object of insurance to provide for persons whose ill-health proves to be more than the average. I have reason to think that many societies are deliberately taking steps to weed out bad lives. I have received many complaints, and heard allegations of members being summarily expelled from some societies on the ground that they withheld material information on signing the application form, and I cannot help thinking that the legality of such expulsions is questionable.

11,520. I think that you said that it is alleged that they are turned out for having made wilful and material omissions?—For having withheld material information.

11,521. Wilfully?—They may say wilfully.

11,522. Is that the allegation or not, because there is all the difference in the world between the two?—The allegation is, that the information has not been withheld wilfully.

11,523. You know, do you not, what I think is the absolute common form in all the approved societies' rules that gives the society the right to expel a member who made a wilful and material mis-statement or omission in his form?—It all depends on the interpretation.

11,524. Suppose that to be so, supposing someone has made a wilful and material omission or mis-statement, you would not object to that? That does not fall within the category which you are condemning?—Not if it was absolutely wilful and intentional, but in many cases there was no wilful mis-statement at all. I suggest that it is so, and that societies which deliberately set themselves to get rid of all their bad lives, may very well have a lower sickness incidence than the others.

11,525. We should all agree again about that, but do you suggest that they ought not to turn out people who lied to them?—I think that every case of expulsion ought to be investigated by the Commissioners on those grounds.

11,526. How do you propose to bring that about? All these people have a right to appeal?—Yes, but they do not appeal. It is a very serious question. There is wholesale expulsion, and I do not think that the way in which it is being done is fair or legitimate.

11,527. What you are saying is that it is wholesale, which is a very strong statement, and that it is being done wrongly, which is a very strong statement. If that be so we ought to have some evidence of that before us?—I suggest that the Commissioners ought to have in their possession a record of all such expulsions.

11,528. Supposing they had, is it not utterly valueless merely to have a record of expulsions unless they really know the facts? It is necessary, in order to form a judgment, to examine the statements?—I had one case in which a woman came to me for advice. She had been expelled from her society because she was having fits during pregnancy, and she had admitted to the sick visitor that in a previous pregnancy she had had a similar experience. She certainly never dreamt of putting that in her application form, and there was nothing wilful in not stating it. I consider in such a case that it is most unjustifiable to expel the person.

11,529. On the case you put, I suggest that it is very rash to form an opinion until one really knows all the facts. I could not, on the facts as you have stated them, hazard an opinion whether it was right or wrong?—All I say is that I am afraid some of the societies are deliberately taking steps to weed out bad lives.

11,530. If that be so, the matter is so serious that we ought to have real serious evidence laid before us with regard to it?—Some of the societies cannot do it, because they did not have all these questions on their application forms; but if the others are within their rights in doing so, the result will be that they will ultimately have a lower sickness incidence than the others.

11,531. What you have said strikes me forcibly—I do not make light of it—as a matter of extreme moment. If societies are purging themselves of these people, who they think will come on their funds, for that reason only, it is so wicked a thing?—I do not think they meant it to be wicked. They think that they are protecting the funds of the society.

11,532. Is it not a very serious thing?—It is very serious.

11,533. And apart from wickedness, is it not an intolerable hardship to the people so expelled?—It is, and I quite seriously suggest that this is being done, and that inquiry ought to be made into it.

11,534. One may quite understand that it may be happening and happening wrongfully, and ought to be stopped, but we may not be the people to stop it. We are only concerned if the thing is of such magnitude as really to affect the position of societies, and it seems to me, from the way you put it, that you suggest that it does affect the position of such societies as yours. If that be so, I should like to have some sort of evidence on which we could form an opinion?—I only make the suggestion. Apart from the unfairness to the individual member, it is unfair, I think, to the societies. I want now to give a few objections to the policy of the exclusion of poor lives. This has not hitherto been the policy of our Federation, although in view of the very heavy claims which have been experienced in some districts we have been compelled for the present, in justice to members whom we have already accepted, to refuse new members, unless satisfied that their health was really good. I cannot regret that we did not do this in the past, and I should regard any necessity for a permanent policy of exclusion of poor lives as very regrettable. It must have been realised at the time of the passing of the Act that many societies, in particular trade unions, necessarily included a considerable proportion of poor lives, and equally that they could not exclude on the grounds of health a large number of their former members. Had they done so, their *raison d'être* as approved societies would be gone. Further, the argument that a society should not accept these poor lives is equivalent to a confession that all these—and as far as industrial women are concerned, the great majority are comparatively poor lives—are not insurable. If the principle were to be applied consistently, they would all be obliged to become deposit contributors. But if there is any class which, not only for its own sake but for that of the community at large, needs the full benefit of insurance more than another, it is surely the industrial women on whose health the physique of the industrial population of the future so largely depends. If the insurance benefits are to be remedial and preventive, and not merely doles in times of distress, then the deposit contributor class must be reduced to a minimum. While on that, I should like to point out that our branches mainly consist of people who belonged to a trade union before, and that we did

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not have any health test at all, so far as the branches are concerned. But with regard to the people in our central branch, they had to reply to certain questions. Forms were distributed, and a number of applicants were refused on the grounds that they had consumptive tendencies. Therefore it is to be expected that our branch membership will have a higher sickness incidence than the central branch membership.

Coming to the point of segregation, it seems to me that societies like ours are bound to have excessive, but not unjustifiable, claims, and I would suggest that a remedy should be looked for by some revision of the society system, or the financial relations between independent societies. Under the present system there is bound to be segregation—segregation of poor lives—married women wage-earners, workers in unhealthy occupations on the one hand,—and of good lives—domestic servants of the superior class, teachers, workers in well-paid healthy industries,—on the other. This seems to me to be in effect the position at present, but just in so far as this segregation takes place, it renders any actuarial calculation of sickness liability, which may be true for the country as a whole, false for any of these societies individually. If the actuarial calculations are true, the society of good lives is bound to have a surplus, and to have it at the expense of a deficit in the society of bad lives. Inequalities of administration may aggravate or mitigate the effect of segregation, but cannot remove it. It seems to me that we have in fact at present not truly national insurance at all, but a system of sectional insurance in which we have not the best lives set against the worst, but the perfectly healthy against the relatively unhealthy, and the relatively unhealthy against the thoroughly unhealthy.

As far as medical referees are concerned, we have appointed medical referees where they seemed to be needed and where it was possible. We have in almost all cases appointed women. Altogether we have referred 63 cases to medical referees. These cases were the most suspicious and difficult cases we could find, naturally. The result has been that 15 failed to appear. Two were too ill to attend. There were 46 cases examined, and out of these 46 of the most suspicious cases, only 18 were declared fit for work. There were only two possible malingerers, and one of these was sent to the medical referee before her claim was authorised. There were 15 cases of insufficient or faulty diagnosis, there were 7 cases of inefficient treatment, there were 5 cases in which appliances were needed, 3 cases of teeth needing attention, 3 cases of eyes needing attention, and 2 cases in which the illness was definitely reported as being due to the conditions of work. I have here an outline of every case that we have ever submitted to a medical referee.

11,535-6. What do you pay the medical referee?—It varies. Now in London we get the advantage of the London Insurance Committee's referees at 2s. 6d. a time, but to our women referees we pay 5s. if a patient goes to the doctor, and 7s. 6d. if the doctor goes to the patient. In addition to that, of course, we make extra payments when the doctor has to go any distance—first-class railway fare and extra payment. In the case of a Birmingham doctor, who comes to Cradley, we pay first-class railway fare, and a guinea extra each visit.

11,537. Are these ladies on the panel?—Only one of them. They are all of high standing. Our Birmingham referee is a woman of very high standing. She is a consultant at one of the hospitals. We have had interviews with all our referees except one, and we put it to them that we did not expect them to be mere detectives. We wanted to find out the actual condition of the patient, and whether there was anything defective in the treatment, or anything more which could be done for the patient; and in many cases, through our referees, we have had them sent to convalescent homes and hospitals, and we have had appliances supplied. I only wish that we had enough money to have these referees for the great bulk of our sick members, it has been so advantageous, not so much from the point of view of declaring people fit for work, as from suggesting remedial treatment. Of these 18 who were declared fit for work, I ought to say that none

of them except one was in any sense malingering. I might give you some of these cases. Here is a case of a woman declared fit for work. This is by one of the London doctors who, I think, are more severe than our women doctors. The woman is certified as suffering from varicose veins. She declared on the funds on June 30th, and we had her examined on November 1st. The doctor says, "In my opinion the above-named insured person is 'capable of work for the present.'" Then it goes on: "She has considerable varicose veins on the left leg, but she might be able to work quite safely if she wears a single bandage. She is never likely to get rid of it, and as time goes on, it will get worse." Here is a rather significant case where a woman was certified as suffering from pneumonia. Our doctor reported that the patient was very run down, and that the left lung had been damaged, and the patient had not entirely lost her cough. "It is most important that the lung should regain its normal condition before the patient is allowed to go back to work, as it is possible that phthisis might follow unless great care is taken. She will not be fit for work for at least two or three weeks, and her lungs should be examined by a doctor before she returns to work." There is no woman who is capable of doing work if she can only do it at the risk of possible injury to herself, and very serious injury. That is one of the difficulties facing us. In reference to several of these cases in which there are complaints of the doctors telling patients not to go back to work when they want to, I have a case which throws a rather new light on that. Here is a woman certified as suffering from rheumatism. This is the doctor's report: "Pain, burning and numbness in the right arm began early in April last year. This became very severe, necessitating rest. It was diagnosed by the panel doctor as 'rheumatism, but later recognised as neuritis. There is considerable tenderness over the whole course of the nerve in the right arm always on any attempt to use it. Also considerable tremor, making it impossible to thread a needle. The neuritis is very obstinate, and is likely to recur on any attempt to resume work such as the heavy needlework required in her occupation. She has already had one holiday of a week, and I would suggest a further one if possible. I find absolutely no suggestion of malingering. On the contrary the patient informed me that she has already applied to be allowed to return to work, and has been refused by the doctor, a decision with which I absolutely agree. There is some reason to fear that her condition may not improve sufficiently to allow of the patient's return to work, in which case some lighter occupation could be adopted." Most of them are exceedingly interesting cases and they throw a good deal of light on the problem that the Committee has been investigating. Shall I give you some cases of wrong or insufficient diagnosis? Here is a very important case. This woman was certified as suffering from fracture of the left arm, and she failed to recover after 10 weeks' treatment. When she was examined by the X-rays at the hospital, a second fracture was discovered.

11,538. What is the sex of the London referees?—All we have had have been men. I cannot say whether they are all men, but they are appointed for the different districts, and you cannot choose. We had one misconduct case which gave us a lot of difficulty. It was a case in which the doctor begged us to pay benefit and the insurance inspector also asked us to pay benefit. He had been investigating the case. It was the insurance inspector who discovered that it was a misconduct case.

11,539. Is this in England or in Scotland?—In Scotland. I only wanted to show the difficulties in a case like this. We were urged by everyone to pay, and we very carefully considered the case.

11,540. How did you satisfy yourself that this illness was due to the woman's misconduct?—The inspector got all the information for us. The nature of the complaint puzzled us, and we wrote asking for further details. Thereupon the member complained to the inspector that there was delay. The inspector called on the doctor, and got from him the facts of

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the case, which he sent to us. He said that the doctor had attended the family for 25 years, and believed the girl to be in general a very decent girl, and he considered that the illness was a sufficient punishment.

11,541. Is not that a very curious way of looking at the administration of an insurance fund?—The inspector wrote and said, "Does the society mean to make the suspension commensurate with the circumstances of the case?" It would not have been illegal for us to pay that money. It is optional to refuse it.

11,542. What does your rule say about it?—It says that we may refuse if the illness is the result of misconduct.

11,543. Here you have a case which everyone admits falls within the rules, and as far as I can understand, there are no mitigating circumstances, no suggested trap or anything of that kind. The girl is undoubtedly guilty of misconduct. I cannot understand how the Act can possibly be administered at all if payment is made under those circumstances?—If we had paid the girl, we should have been within our rights.

11,544. I admit that you could not have been enjoined or mandamus not to pay?—And considerable pressure was put on us to pay.

11,545. I know, but I cannot understand the object of the rules at all if you were to pay?—We did not pay, and we have been severely criticised for not paying.

11,546. At the moment I am unable to understand the mental position of the critics, and so are you apparently?—I felt that probably it would have been a very good thing if this girl had got benefit. Probably it would have helped her to get well sooner. I only put that as a difficulty. I am rather going back to points which were dealt with before. We think that this interpretation of the words "incapable of work" is very difficult, because where one has to draw the line is exceedingly difficult to determine. In Germany of course they have a definition. I do not think that it is possible to take the line that a member must be incapable of work altogether or absolutely, because you might be very ill indeed, and still able to lie in bed knitting socks; or if you were a writer you could lie in bed and write articles and be paralysed. You must be nearly dying before you can do nothing at all.

11,547. Is that not rather an unfortunate instance? If a writer can lie in bed, and write an article, he ought not to claim?—We feel that some guidance ought to be given to societies. Every society has a different idea of what it means.

11,548. What is your practice?—Our practice varies. Each case is judged on its merits. We do not think that if a woman is capable of doing light housework, she should not get her benefit. We think that it is most unfair to women, because every woman, when she is ill, is inclined to do a little housework. Men do not want to do the housework, but women do, and it is very difficult for the mother of a family to lie in bed and see the house dirty and hear the children cry, and do nothing. You might as well make a rule that men in receipt of sickness benefit were not to smoke. Any rule prohibiting women from doing household work of any kind whatever makes inequality between the treatment of men and women.

11,549. Anyone will agree that it was ridiculous, in a case which we had before us a few days ago, to stop a particular girl's sickness benefit because she was picking a basketful of currants. That is one end of the line?—If a woman does work which might injure her, and which the doctor would object to, that ought not to be allowed.

11,550. Must you not take it further than that?—If she is merely making tea, dusting, or doing light duties, it is unfair to stop her benefit.

11,551. You put two things as if they mutually excluded each other, but they do not exhaust the whole possibilities. We should each agree with either of these propositions. If she was doing what the doctor told her not to do, because it would injure her, she ought to be struck off. On the other hand, we should all probably agree that if a woman is lying in bed, there is no harm in pouring hot water into a teapot by

her bedside. But in between these two there is an enormous mass of difficult cases?—There is, I agree, and some guidance ought to be given. It is not fair to make a total prohibition of all household work and maternal duties.

11,552. You realise that women are more difficult to deal with than men in this respect. You say yourself that the temptation is much stronger, and that there are other temptations to which women in this class of life are subject. For example, there is a much greater temptation not to go to work. I do not say that men are not subject to all sorts of other temptations, but so far as that is concerned, are not women naturally from the size of their wages?—In so far as women are tempted to do household work and men are not, it is all to the credit of the women.

11,553. Here you have women, who are for the most part not very highly paid, drawing 12s. 6d. a week?—I quite see; of course there is more temptation for them.

11,554. A great deal more temptation. When they are at home they are far more difficult to supervise, are they not? We know quite well that a man soon gets tired of sitting by the fireside?—Certainly they are more difficult to supervise, but I do not think that it is in the interest of the women, from any point of view, that they should be prohibited from doing any kind of household work.

11,555. Just think what the situation is. Here is a woman. She is by the rules of the society confined to the house, roughly speaking. Here is a man. The man has nothing to do in the house, and does not want to wash the floor—he probably does not know how. The woman has the strongest temptation to wash the floor, and inasmuch as she likes washing the floor apparently, and probably does not like going to work, the society is in a hole, is it not? If you once throw open the door, and say "You may do any light household work," you are exposing women to a temptation, which is really beyond human endurance?—We do not, of course, want to do that. It is obvious that within the four walls of a home there are many little things that a woman can do without injury to herself even if she is sick.

11,556. Of some sickness we should all probably agree, but there is an enormous gap between that and the sweeping statement that she ought to be allowed to do any housework?—Exactly, it is the sweeping statement I object to. The rules are being laid down now that a woman can be suspended from benefit if she is found doing anything whatever in her home.

11,557. You object to that. I say, on the other hand, supposing you proceed from that extremity to the other and say to a woman, "When you stop at home you may do any light housework, so long as it is of such a nature that it does not physically injure you," then you open the door to a greater evil than the one you are condemning. I am suggesting that at the other end of the scale there is also a very heavy danger. Is not that so?—There is certainly a danger, but very often doctors recommend women suffering from certain troubles to do a little work.

11,558. That also we could realise, but there remains a great mass of women. Is it not just as well for women as well as men, that the receipt of benefit should be an irksome thing. We are anxious that they should draw the money if it is necessary, but do we not rather want to make it a little bit irksome?—I would not like to say that it should be made irksome. When I am ill, I want to have nothing irksome about me, and to be especially nicely treated and so on, and have no worry.

11,559. But if you make it too pleasant, may not that have an effect on the minds of the population?—You want to get a medium. I object to either extreme.

11,560. I want you to recognise that there are both extremes?—Quite.

11,561. Who are to address their minds to that properly, if it is not the officials of the society, subject to correction by the members through their power to elect or nominate them, working the fund in the best interest of the society, which means of the members?

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—I do not think that too much should be left to the discretion of the societies. Some guidance should be given on that point.

11,562. You have omitted to tell us how you do the sickness visiting?—Every branch has sickness visitors. Sometimes it is the local secretary, and sometimes it is a member of the committee, but the members in branches are visited once a week when sick, either by the secretary or a member of the committee.

11,563. Does that system exist with your branch administered from the centre?—No. In the branch administered from the centre we do not visit unless there is special reason for it. We pay by post. In the other branches they administer through people elected more or less for the purpose, with the knowledge that that is one of the things they are to do.

11,564. Are they paid for it?—It varies. So much is allowed for the local branch administration. It is nominal. It does not come to any material amount, for some of our people do it voluntarily.

11,565. Are they people of much the same class, drawn from the same occupation and the same locality, as the people whom they are visiting?—With the exception of Cradley. Also some of our other branches are not visited by people of the same class. We have several branches in clubs, and the members are visited by the club leaders, or by middle-class women who are interested.

11,566. Women who have got up the club?—Yes.

11,567. Can you trust these women?—That only applies in two or three cases, and the sick visiting is very satisfactory.

11,568. Can you tell me which cases those are?—For instance, we have a big branch at the West Central Girls' Club in London. Miss Lily Montagu looks after that office, and visits them all. They are all Jewish.

11,569. Does she visit them in the same sort of way as a male friendly society's sickness visitor would do, or as a friend?—I can only say that the point of view of the society has been put very strongly before all these visitors.

11,570. Then you have, as it were, three systems—the system of the elected person, an insured person herself; the women at Cradley appointed from outside, whole-time; and these middle-class women who are more or less philanthropists?—Yes.

11,571. Do you think it is done effectively? Of course we all want to be kind to one another, and no doubt these cases are often distressing. Do you think that that to some extent affects the judgment of these people, and causes them to be over-kind?—We may have had one or two cases where we have thought that.

11,572. Have you had an opportunity of investigating?—No, we have had cases where we thought from the letters that they were rather swayed by sentiment. But I do not think that that applies generally. The great difficulty is, how is a lay person, a sick visitor, to set her opinion against the opinion of the doctor.

11,573. I do not know, but I should have thought that that was not the sort of way it presented itself to a friendly society man. I have heard the way he does his work. I think that he goes to see a man he has always known, and sees the way he is conducting himself, and does not trouble about what is going on inside the man, because he knows the way he behaves. If I went to see one of my friends I should not set my opinion against that of the doctor. It is no question of quarrelling on a point of technical medical detail?—Some of our women err, if anything, on the other side. At Edmonton the girls are frightfully strict, we think.

11,574. That results in a very curious state of affairs at Edmonton?—The age distribution is low. There are no married women difficulties there.

11,575. Sickness experience is very low in Edmonton, is it not, compared with other places?—Yes. There are other things to account for it in Edmonton. There is this strict attitude on the part of the girls. There are high wages comparatively. There are comparatively good conditions there. They have been well organised for many years. They are

also young, and there are practically very few married women. We have no trouble with married women's diseases there.

11,576. If you compare Edmonton with H—, what do you find?—There is a different type of people at H—. Our lady doctor, as a matter of fact, is visiting H— this week in order to make a report on the conditions there. We have a good woman there, and she says that her position in the district is very unpleasant, because she is taking such a strict line, and in some cases sending us reports recommending us not to pay. She recommended us not to pay in one case of debility after confinement, and it has roused quite a storm in the district. The doctor has complained to the insurance committee, and we are going to have our woman doctor's report on it. So far as the visiting is concerned, everything is being done at H— that could be done.

11,577. It really comes to this, that in Edmonton there seems to be some sort of friendly society spirit?—There is the friendly society spirit at Edmonton.

11,578. They do not want to be harsh on one another, but they wish to see that justice is done all round, and there you get one-third of the sickness claims that you get at some other places?—I think that that does seem to account for some of the difference, but not for anything like all of it.

11,579. I know, but does not that enter into it?—I suppose it does to a certain extent.

11,580. If we could put our finger on one thing and say that is the cause, we should either have to give the thing up as hopeless or find a means of dealing with it, but there are ten or a dozen causes?—Yes. Where we have a high incidence of sickness, special attention is directed to the district. Visits are paid, and everything possible is done. That applies to Acton, H—, and Cradley, where the sickness is heaviest. I have visited Cradley myself this week, and I am assured that no money is being paid out in any case where the member is not entitled to it. We do not rely to any great extent on our sick visitors. We get reports from them. We rely on them so far as behaviour during sickness is concerned, and in the branches these rules are strictly applied.

11,581. Do fines follow?—We have not fined in many cases.

11,582. Have you fined in any case?—Yes, in several.

11,583. Who fixes the fine?—We have a special claims committee, consisting of working girls, and it meets every Monday in London, and they give their verdict on all cases that occur.

11,584. On paper, of course; they do not see the people?—No, they do not see the people.

11,585. What size have the fines been?—Our rules are being altered. There are not many fines specified. We do not inflict heavy fines. The heaviest fine imposed has been to suspend benefit for a week.

11,586-7. Anything more?—Nothing more, except in the case of misconduct. We had one case where we stopped benefit because the girl was out driving after 10 o'clock at night, and it turned out afterwards that she had gone with the doctor's permission. He said that it was good for her. It was an E— doctor again. We suspended her for a week, and the doctor complained to the insurance committee of the harsh treatment, saying that she had taken the drive at his request.

11,588-9. What time of the year was it?—Early autumn or late summer. We have constantly had friction with the E— Insurance Committee. We have complained of doctors, and the doctors have written to the committee, "This society will soon have no members in the district; for instance, one of my patients, who went for a drive the other evening with my permission, was suspended for a week."

11,590-1. You stuck to your suspension?—Certainly, and as a result we have a great many transfers from our society at H—, mostly to the Manchester Unity. Not only that, but we lost a number of trade union members as a result of it.

11,592. Will you go on to your recommendations?—It seems to me that the ideal and ultimate and only complete solution of all these difficulties is the solution suggested the other day, that the State

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should take over all the societies, and that we should have a State medical service, but short of that there are one or two ideas which might be suggested. Minimum benefits ought to be guaranteed and any apparent laxity by any society should be investigated. There might even be a bonus for good management and there could still be the surplus benefits, but the minimum benefits ought to be guaranteed. The variation in practice of the different societies is a very bad thing and it should be reduced to a minimum. If we cannot have a State medical service we ought to have a supplementary State service including specialists and consultants, and these people should be called in, either by the panel doctor, or by the patient, or by the approved society. It is most important that the panel doctor should be allowed to call in a consultant, and also that the patient should

The witness resumed her seat, as a member of the Committee.

Mr. W. A. APPLETON (*General Secretary of the General Federation of Trade Unions for National Insurance and Friendly Society Purposes*) examined.

11,593. (*Chairman.*) You are the General Secretary of the General Federation of Trade Unions?—Yes.

11,594. That, I understand, is a friendly society? Is it registered or not?—The society as a whole is registered, but the branches are not at present registered.

11,595. Is it intended that they should be registered?—Yes.

11,596. Those branches correspond, each of them, to a trade union which was in existence at the time of the passing of the Insurance Act?—Yes.

11,597. Each of these separate bodies is intended eventually to have a separate fund, but at present their funds are pooled?—Yes, it is intended to have each branch registered. There were 198 of them, but there are now 154.

11,598. What has happened to the others?—They have got so disgusted with the whole business that they have thrown it up, and we are managing them from the head office.

11,599. As a sort of central pool?—Yes.

11,600. One of those constituent elements is the National Federation of Women Workers?—Yes.

11,601. I do not want to exclude anything that you have got to say, but perhaps you will remember in what you say that we have already dealt with them pretty fully?—All right.

11,602-3. How many people are there insured with the federation?—133,974, including women.

11,604. How many women are there?—Slightly over 20,000; 20,500 on the last return, leaving about 113,000 men.

11,605. Can you tell us how many of these are in England?—Yes, I can give you the exact figures. There are 77,811 men in England and 23,952 women.

11,606. I take it that these 77,811 persons in England are in what we call branches, which are not geographically divided, but are divided by occupations?—Yes, mainly.

11,607. I suppose that they correspond roughly to the smaller unions, not the big trade unions, which have themselves been approved separately under the Act?—Yes.

11,608. Should we be right in supposing that they are not the more highly paid class of artisans in your unions but are the less well paid?—Oh, no. Some of them are very well paid, speaking from the point of view of the whole, and not from their own point of view.

11,609. Will you tell us roughly what sort of unions are involved?—I have a few here. There are the dockers, cigar makers, gas workers, hosiery workers, the British Labour Amalgamation, which includes a lot of riverside workers, musicians, quarrymen from North Wales, upholsterers, wool-shears, and tailors. I have selected these because I think that they are fairly indicative of what we have. Some of those would be fairly well paid.

11,610. On the other hand, you exclude all the railwaymen, I suppose?—We have no railwaymen.

11,611. All the highly skilled people engaged in the iron and steel industries? I mean the moulders

have the right of a second opinion, subject, of course, to certain regulations, and, thirdly, the approved society. Then pregnancy should be paid for at whatever stage the doctor certifies that it is not in the interests of the woman, or the expected child, that the woman should continue at remunerative employment. Apart from that, four weeks' benefit should be available before the expected confinement; and six weeks instead of four weeks' benefit should be paid for after the confinement. Financial provisions should be made to ensure to all employed women a total of ten weeks' benefit in connection with childbirth. That is the minimum. Of course I am perfectly aware that that cannot be done on the present financial arrangements. I think that the sickness experience of the future generation will be very much affected by what is done in this direction now.

and the boiler makers?—We have some steel smelters, but not many.

11,612. And I suppose all miners are excluded?—We have not more than 150 miners.

11,613. What do you say on the general question as to whether excessive claims are, or are not, being made upon the funds of the society?—Claims are being made that are in excess of what the Commissioners estimated would be made. That is so far as women are concerned; but, speaking generally from the point of view of the men, that is not so.

11,614. If you could, so far as possible, confine your comparisons to what is being done with what you think should properly be done, rather than with what the Commissioners estimated, it would be an assistance. What we want to know is what would happen under a proper system, and what is actually happening?—We were led to expect that we should have about from 2½ to 3 per cent. sickness, so far as men were concerned, and we are not so far out.

11,615. Could you give us figures to show us the exact state of affairs? And perhaps you would say whether the figures apply to men, or to women, or to both?—I have got them separately. Taking first the dockers, we estimated that we should spend 3s. 3d. per quarter. The first quarter we spent 10' 8d., the second quarter we spent 2s. 2' 8d. I think that it is only fair to say that in the first quarter we could have spent considerably more had all the men paid their full 26 weeks' contributions, or had they all known exactly what benefits they were entitled to. Some of them did not claim through ignorance. From the point of view of health insurance the dockers are good lives, though bad lives from the point of view of life insurance. Taking next the cigar makers, we found there that the claims of the men were actually higher than the women. Their cost is 3s. 6' 2d. for the first quarter, and 3s. 8' 7d. for the second quarter; while the women are 1s. 3' 8d. for the first quarter, and 2s. 0' 4d. for the second quarter. When I get to the gas workers, I find that the first quarter was 2s. 10' 6d., and the second quarter 3s. 2' 2d. The hosiery workers vary in districts. In the Hincley district the men in the first quarter cost 2s. 7' 4d., and in the second quarter 3s. 11' 1d.; while the women in the same district cost 3s. 9' 4d. in the first quarter, and 5s. 2d. in the second quarter. In Ilkeston the hosiery workers cost 3s. 0' 8d. in the first quarter, and 4s. 11d. in the second quarter; while the women only cost 1s. 0' 8d. in the first quarter, and 1s. 11' 8d. in the second quarter. The British Labour Amalgamation, who are mainly river-side workers, cost 2s. 3d. in the first quarter, and 2s. 11' 5d. in the second quarter; while the women they have in the same society—

11,616. What are the women doing?—They are the wives of the men mainly. I cannot tell you what they are doing, except that they are drawing as much sickness benefit as they can get hold of. They cost 5s. 6' 5d. in the first quarter, and 7s. 9d. in the second quarter. The musicians, those who are members of our union, both men and women are now fairly well paid. The men in the first quarter cost 10' 2d., and in the

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second quarter 1s. 3·8d.; while the women cost 2s. 3d. in the first quarter, and 1s. 11·4d. in the second quarter. The North Wales quarrymen cost 3s. 0·9d. in the first quarter, and 4s. 4·7d. in the second quarter. The upholsterers—and here, again, the members who are with us are fairly well paid as things go—cost for men 1s. 5·8d. in the first quarter, and 1s. 9·5d. in the second quarter; while the women cost 2s. 2·1d. in the first quarter, and 1s. 9·4d. in the second quarter. The wool shear makers—these would be affected by the silica dust, and the dust from the iron stones—cost 5s. 3·7d. in the first quarter, and 5s. 2·2d. in the second quarter. The tailors—I am very much surprised at the returns here, because I expected very much worse—cost for men 1s. 6·7d. in the first quarter, and 1s. 4·7d. in the second quarter; while the women cost 1s. 2·6d. in the first quarter, and 2s. 4·7d. in the second quarter. Those would be fairly well paid. I do not mean that tailors are, as a rule, fairly well paid, but that these would be. To-day I have had some figures got out relating to the jute and flax workers. I find that while their men have cost 1s. 11·9d. in the first quarter and 2s. 7·4d. in the second quarter, their women have cost 3s. 4·9d. in the first quarter and 5s. 6d. in the second quarter. They are about 175 per cent. above the estimate.

11,617. Could you add to that by telling us the number of persons affected in each case. Will you read them straight down the column?—Dockers, 5,733 men and 68 women.

11,618. What are those women doing as dockers?—In Bristol they used to carry potatoes from the ships to the quay, and incidentally keep the port in order. Cigar makers, 514 men and 747 women; gas workers, 3,662 men; hosiery, Hinckley, 146 men and 401 women, Ilkeston, 125 men and 142 women; British Labour Amalgamation, 2,182 men and 209 women; musicians, 2,338 men and 61 women; North Wales quarrymen, 1,319 men; upholsterers, 1,066 men and 153 women; wool shear makers, 120 men; tailors, 1,101 men and 291 women; and jute and flax workers, 1,941 men and 3,317 women.

11,619. You put in those figures to make a comparison between what you estimated you would have to spend, and what you actually have had to spend?—Yes.

11,620. But they are not conclusive, although very interesting?—I think that one ought to say straight away that the figures that one can obtain at present are not likely to prove very much. The period over which they extend is too short for one to attempt anything like clear conclusions concerning them.

11,621. What do you say, apart from the figures, as to the general impression left upon your mind about the whole of this question?—The general impression has been that we were paying, so far as women were concerned, more than it was ever estimated we should have to pay.

11,622. Is it the impression, so far as the men are concerned, that you are paying claims that you ought not to pay?—Not so many.

11,623. Have you a sort of feeling that there is a mass of claims for which you ought not to pay?—No, we have some, as every society must have, but we have not a mass. It is just the ordinary run. It is in only a very small percentage of cases that we feel absolutely that we ought not to pay. Those cases are not due so much to the desire of the people themselves to cheat us as to the ineffectiveness of the medical certificates and the medical service.

11,624. Do you feel that you are forced to pay, and yet feel that you ought not to pay?—We have a percentage of such cases, but it is not more than I expected. I did expect, as one expects in every walk of life, that there would be some people who would try to get the best of one in a financial bargain, but as far as we are concerned, I do not think that we have so many. There is a very rough-and-ready method of dealing with our people if they infringe too far.

11,625. What is that method?—They are brought before the committee, and lectured, and held up to scorn and ridicule in the workshop by the men, and that is usually a deterrent.

11,626. I understand that you suggest that owing to the action of the doctors you are getting cases which you find it difficult to resist?—That is so. The medical certificates are useless in many instances. I think that that is due to the fact that the doctors themselves did not realise that illnesses which inconvenienced, but which did not incapacitate, were not illnesses which came within the scope of the Act. Every time a member went to the doctor and complained, he got a certificate, and he came on to the fund. Our greatest trouble has been there. I can give you samples of the certificates. Here is one for "Feverish chill." Here is another for "Tonsillitis." These are cases where the doctor has gone on giving certificates for months. You see "Feverish chill," and he will give a certificate week after week, but he does not always see the patient.

11,627-8. What do you do in such cases? What is the matter with a certificate for "tonsillitis"?—If it lasts for 14 or 15 weeks, we think that the doctor does not know his business. He ought to cure it in less time than that. I have heaps of certificates like that. Many are stupid and inefficient, but there are one or two delightful specimens. We have a case here, where a doctor certified a woman to be suffering from "gastric catarrh," and she received 10 weeks' sickness benefit, and was then confined. It was not gastric catarrh from which she was suffering at all. There is another case in which the doctor gave a certificate to a man who had been ill two months previously to the doctor seeing him, and whom he had never seen at the time that he gave the certificate.

11,629. What do you do in that sort of case?—We get the doctor's certificate, and it takes us weeks before we find some of these things out. Our visitors report them, and then we are down on them pretty sharp. We complained to the Commissioners, but we did not get any answer, nor did we get our documents returned.

11,630. But it is to the insurance committee that you ought to address your complaint?—We have applied to insurance committees with the same result.

11,631. The situation with them is very different. As far as the Commissioners are concerned, they have nothing to do with it. The insurance committees have a duty to perform, and I suggest that if you do not find that they perform their duties, you should stir them up?—Here is a doctor who certifies a patient suffering from "dizziness" for 13 weeks. Another certificate reads "Thin and weak."

11,632. What is the date of that?—I cannot give you the date at present.

11,633. Do you think that your people understand that it is their own money, and are they behaving as if it were their own money, or as if it were the money of the State?—At first they did not understand. There was an impression that it was the State's, and that they were perfectly justified in getting as much out of the State as they could and as the State would stand. There was that impression in some quarters. I do not say that it was general. I have a case in mind of one of our secretaries. He is a very able man, a member of a city council and a watch committee, immersed in public affairs all his life. He told me frankly that the Act was passed for the benefit of the people, and that his people were going to have as much benefit as he could get hold of.

11,634. What did you do with regard to him?—I told him that he would have to levy his members, and that they would clear him out.

11,635. Did he retort that if he had to levy his members, you would have to levy yours?—Certainly, and he told me that there were other societies that were letting things rip in the certain knowledge that something would have to be done. He said that he might as well take his share along with the rest.

11,636. Do you find that there is a lack of sense of responsibility among the people administering the Act?—Not now, though there was at the beginning.

11,637. What have you done with regard to this particular man who had these views?—He is still acting.

11,638. Has he still got these views?—Yes, I think that he holds them pretty largely, but we have strung

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him up. We hold his money back, if he spends too much.

11,639. Do you find that other people have these views?—After the first one or two cases we made them understand very definitely that it was the people's own money that they were spending, and not the money of the State.

11,640. Do they all understand that now?—They ought. They have had 109 circulars on the subject, so that they ought to understand, and not only that, we have had every secretary up at the head office, and given explanations. We have helped them as far as we could.

11,641. These are all men concerned in the management of some trade union?—Mostly. There is one woman.

11,642. Are all these men concerned in the management of the trade unions?—Yes, that is so.

11,643. They are all your officials?—Yes, all of them.

11,644. There is some sort of conflict of interest, is there not, between the two positions?—No, not much.

11,645. Does it not suggest itself to you that if you refuse sickness claims in a particular area, the trade union in that area may suffer?—So far it has not done so.

11,646. You have found no instance of that?—No, the position is of such small value either one way or the other to the secretary that he does not care twopence. He does his duty.

11,647. I suppose that his first liability is to the trade union?—Probably.

11,648. How would he feel if he found it damaged by national insurance when he thought that it was going to help it?—We have no evidence of that anywhere. The only way in which it could do damage would be by sometimes taking more of a man's time than it ought to do.

11,649. Do you say that generally speaking your members are not doubly insured, but only insured for Insurance Act purposes?—That is so.

11,650. None of the trade unions affiliated were trade unions which paid sickness benefit?—They have done so, but not to any great extent. Not the same amount as friendly societies.

11,651-2. Are they still paying sickness benefit?—Quite a number are, I do not know how many.

11,653. Could you tell us at about what the benefit ranges?—From 5s. up to 10s. per week; usually it runs between 5s. and 7s. 6d.

11,654. So that it may be that in some cases men draw 1l. per week sickness benefit?—There might be some such cases, but they are quite few.

11,655. The trade union recognises the same certificate that you recognise, and pays on it?—That would be so.

11,656. If I were to ask you what the average rate of wages of your people are, you could not answer me?—No, no one could answer that. I should say, taking it one way with another, that it would approximate to the subsistence rate of 23s. 8d. per week, because we have a lot of people in Dundee whose wages are very low, and that would bring the general average down. If you exclude Scotland and the women workers, it would be very much higher.

11,657. Your dockers, when at work, do pretty well?—Yes, they do very well indeed. They are as well paid as any.

11,658. They suffer from their work being spasmodic and intermittent?—Yes, it does not pay a docker to be sick when there is work. He can earn more in a full day than he would get in a week as sickness benefit. That is why they are such good sickness lives.

11,659. Were any of your higher-paid artisans insured in friendly societies before the passing of the Act?—Not many. I do not think that the question of double insurance affects us at all.

11,660. That is your considered opinion. Have you taken any steps to find out?—Not other than what we have found out at the centre. We have a little fund there.

11,661. You do not tell your sickness visitor to inquire, "Is this man drawing sickness benefit anywhere else?"—No.

11,662. And you do not ask him on the form?—No.

11,663. You do not, on the form, ask him what his wages are?—No.

11,664. But the trade union knows?—In some cases it may, but it does not in all. It cannot know what a docker earns, for many of them are piece-workers. There are some trade union officials who do not themselves know what their men earn.

11,665. You think perhaps that your sickness experience has been influenced by the good trade we have had, particularly in the year 1913?—Certainly. One's past experience proves that bad trade always means an increase in sickness claims.

11,666. You are therefore inclined to be apprehensive that you have not touched the worst?—Yes. If we go back to 1909, when unemployment was 9·5 as against between 3 and 4 now, we must expect that our sickness claims will go up, not merely because of malingering, but also because of semi-starvation.

11,667. Would both of these things enter into it?—It is a temptation to a man who is getting nothing to go to a doctor and persuade him that he is suffering from some pain or other, but there would be real sickness due to semi-starvation. I have seen this in the last few weeks. A doctor had given a man medicine, but if he had given him a beef steak and some stout it would have done him more good.

11,668. Do you find, generally speaking, that the doctors are helping you—I am putting it in the most general way possible—or that they are hostile, or that they are neither?—They have been hostile and to some extent they are so to-day, but they are not quite as ignorant of the Act, nor are they quite as insensible of the financial benefit which it confers upon them as they were.

11,669. You are not prepared to put it higher than that?—No.

11,670. Still you would say that there has been considerable amelioration in the last few months?—I should not use the word "considerable." I should say that there had been amelioration.

11,671. Would you now go on with what you were saying in your own way?—I was only going to say that there was some reason for the point of view I have taken. I have a doctor here who certifies a different complaint every week. The first week it is an "attack of faintness due to pregnancy," the second it is "influenza," the third week it is "debility," and the fourth week it is "debility."

11,672. When you get that sort of certificate, do you not go to the doctor and ask him what he means by it?—We made attempts in the beginning, but some of our people were badly insulted, so they stayed away.

11,673. You mean that your officials were insulted by the doctors?—Yes.

11,674. And that made you drop the attempt?—Oh no, we are still trying to press the matter forward, and to get evidence, and I think that we shall be able to get a better state of things. I have got quite a number of these cases.

11,675. They all come to the same thing, do they not?—Yes, they all come to the same thing. "Abdominal pain," "cough and headache," "debility," "influenza and catarrh," "influenza," "bleeding piles," "headache and debility," "constipation," "chronic constipation." That is what one doctor certifies in connection with one patient for consecutive weeks. Many of our people get a certificate, and do not understand what it means. Sometimes a simple complaint looks like a frightful disease. One doctor certified "alveolar abscess"? My mother used to call it "gumboils." Yet this person was certified incapacitated for 13 weeks. You know what the ordinary individual is where a doctor's certificate is concerned. He would never dream of questioning it.

11,676. I dare say that there are many strange things that the ordinary individual does, but at what period of your experience did you suddenly realise that the English race was the prey of the doctors?—I have recognised this all my life. If a doctor certifies that a man is ill, everybody believes that the man is ill. If he certifies that a man is suffering from "anorexia,"

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that man is going to be very bad indeed, but when we warn the visitor that it merely means loss of appetite, the language he uses is worse than that of the doctor's. People accept a doctor's certificate like the Laws of Moses. Most of our officials when they got a certificate of that description would not question it. They would pay on it.

11,677. If that is the case, how can they be helping to run the Act?—Why cannot the doctors put it in common English, so that a man understands that instead of being down with a disease that is bound to be fatal, he is merely suffering from loss of appetite, and that a little hard work would perhaps be the best thing for him? That is the only thing to do.

11,678. Supposing the doctors are certifying all sorts of things they ought not to certify, surely it is the business of the approved society officials to see that they do not pay on them?—Yes, we do that as far as possible.

11,679. You will never get the doctors in order by using the same language as they do, unless you use it to them?—We do that where we can. All our people are learning their business just as the Commissioners are, and you cannot expect these fellows to know that "coryza" is a cold in the head.

11,680. Do you suggest that these people surrender their judgment to the doctors, and that whatever he chooses to write on a piece of paper they take as conclusive?—Whenever a doctor gives a certificate, and certifies that because of that complaint the man is incapable of work, our people pay unquestionably. They visit the man afterwards, but they always visit him in a state of awe. They never like to question a certificate of that description. It is only fair to say that I have one or two doctors who give certificates differently. I have got a certificate here: "I have this day examined the above-named, and in my opinion he is of weak intellect. His bodily condition is such that in my opinion he could do his work, and possibly his mental alertness would improve if he were occupied, and he had not so much time for quenching his thirst."

11,681. That is rather an unnecessary elaboration of things?—Yes, but it is effective and truthful. I have another here.

11,682. What I want to get at is the attitude of the man who is administering the Act and his action. I do not mean your attitude; we know what that is. I want to know if it is seriously suggested that the English working man who attains to such eminence as to be elected as an official of your society really gives in to the doctor, and does what he is told?—The fact that they pay on it proves that they do accept the doctor's statement that the man is suffering from something which appears to be frightful, and is incapacitated from work. They say, "Who are we that we should presume to decide whether a man is incapable or not, if the doctor has decided that the man is incapable?" Where the doctor and the parson are concerned, the British working man is very conservative.

11,683. I suggest that there is also a desire to be pleasant and easy?—Oh, no.

11,684. It is much easier for them to pay than not to pay?—Oh, no, it is not that. Some of them are very careful. They have their little committees, and if there is any doubt about a man, he is pulled up before the committee, and he gets a bad time.

11,685. Then they do not pay on these things? If I saw that written on a piece of paper it would be good enough to tell me that there was something wrong about it?—Yes, you might know, but the men at the other end have not had your training.

11,686. I am in just the same position as your officials. All I know is that it is just a string of letters?—Such a string of letters would affect him rather seriously. You see he starts out with the assumption that the doctor knows his business, and knows what he is saying.

11,687. What you say is that there is some hesitation to press all the disqualifying rules owing to this?—Yes.

11,688. When you say that there is some hesitation to press all the disqualifying rules, you mean hesitation

on the part of your officials to press them?—Yes, if the disqualifying rules seem harsh, they do hesitate. They write up to us and ask what they are to do, and we tell them to pay, or not to pay, as the case may be.

11,689. How is this done? Is there anyone in the locality or union who settles the claims?—The union itself is the authority for settling the validity of a claim in the first instance, but it has its branch officials, and you may take it that they are pretty careful officials. When a claim is preferred it is presented to the local official; he examines the certificate and the form, and sends it forward if it is a claim that ought to be paid, and if it is one that he thinks ought not to be paid, he makes a note and sends the note along with it.

11,690. To whom does he send it?—To the secretary of his society.

11,691. Does the secretary of the society come to a conclusion on it?—Mostly, but in doubtful claims it is sent on to us.

11,692. But he has authority to settle it?—Oh, yes, he can settle it straight away.

11,693. Suppose he settles it adversely to the member, and the member is dissatisfied, what does he do?—He appeals. Usually it is the secretary who acts, and the member appeals to the committee of the society. The committee of the society will usually uphold the decision of the secretary. If the member is not satisfied, and complaint is made to us, rather than bring the matter right up to London, we put the nearest man we have got into touch with the case, and ask him to go and investigate it. If he thinks that the committee has made a mistake, he says so quite straight, and the benefit is paid; but if he thinks that the benefit ought not to be paid, he immediately communicates his decision to us, and we tell them that no benefit will be paid. If they do not like it, they can appeal officially, and it can be carried forward right to the Commission, and go to arbitration ultimately.

11,694. Have you ever had any of those cases?—No, because all our decisions have hitherto been accepted.

11,695. That is so far as initial claims are concerned, but what about those members who, you think, have been on the funds long enough? The sick visitor, I suppose, calls attention to them?—Yes, and then the local committee will investigate, or rather the local official will immediately act and report later to his committee.

11,696. Have you made use of a medical referee in any case?—Only in two cases. I had reasons for not doing so. I wanted other people to buy the experience before I spent any money on it for one thing, and I felt that it was not for the society to be burdened with the cost, when the need for it was traceable to other sources. In one case we struck the member off, and in the other the medical referee reported that the patient would be likely to recover, if he had better treatment than the panel doctor was able to give him. We put him under a specialist, and the result was that he was at work within a month.

11,697. Who paid for the specialist?—We paid.

11,698. Out of what fund?—Out of our administration expenses.

11,699. I suppose that that has not been before the auditor yet?—No, and if he likes to transfer it to the sickness account, we shall not trouble.

11,700. You did it after reflection?—Oh, yes. We carefully considered it, and we knew that we might be charged with doing an illegal thing. We went into it with our eyes open. We have had to do many things which are perhaps not quite legal in order to be effective.

11,701. Would you describe to me the sick visiting arrangements? Does each union appoint its own sick visitors?—Each union appoints its own sick visitors, except where we have large masses of people, and there we have come to the conclusion that it is cheaper and more effective to appoint a whole-time visitor. In London we have a whole-time visitor, who divides London into five districts. In Manchester we have just appointed a woman, because we have 3,000

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women members there. It is not so much a matter of keeping down sickness benefit as giving kindly advice to women who may be honestly claiming it.

11,702. They visit members irrespective of the particular union to which they belong?—Yes.

11,703. To whom do they report?—To headquarters.

11,704. Do you deal with the cases at headquarters over the heads of the others?—No, we report back to them that they ought not to pay any more money.

11,705. I think that yours is the only society which has got branches which are not geographical?—I should say that we have quite as many difficulties as anybody else.

11,706. It is rather a curious position?—Yes, but they are used to the system, so that it does not affect them quite as badly as it would an entirely new organisation.

11,707. It means a considerable amount of overlapping? You might have bits of two branches in the same place?—Where the people have got disgusted with the position and have thrown it up, we are putting it on a geographical basis.

11,708. Do you think that you are tending more to centralisation or to local autonomy?—We are tending more to centralisation, that is certain.

11,709. Of course, the whole-time sick visitors are paid?—Yes.

11,710. Are the other people paid?—Outside the Women's Workers Federation they are mostly paid. There are very few of them voluntary visitors. It was difficult to get anybody to volunteer to do anything.

11,711. Are they insured people who visit in their spare time?—Yes.

11,712. Elected, I suppose, by the branches?—Yes.

11,713. Is there not a difficulty, inasmuch as the headquarters of a union may be at Edinburgh, and the branch at Dundee?—Yes, they have a local official sometimes appointed, and sometimes elected from the locality.

11,714. Do you find that that works all right?—It does not work as well as one would like it to. Under some old arrangements a man was sick visitor in rotation.

11,715. What do you mean by the old arrangements?—There was an arrangement in many trade unions—in my own trade union, the Lace Makers,

it was so—whereby we had to do the thing, whether we liked it or not.

11,716. Why did you not carry that principle on?—Because everybody had got the idea that there was a lot of money to be distributed, and that they would be well paid for everything that they did, and you could not at the beginning get honorary workers for the State scheme. We are getting a few now.

11,717. Are they becoming disabused of the idea that they are going to be well paid?—Yes, and that is why so many are throwing up the work.

11,718. Perhaps that may be rather an advantage than otherwise?—Perhaps it may be an advantage. I have never concealed my own conclusion that our societies are much too small, and that it would be wiser perhaps to have a geographical basis. There are many societies all over the country too small for the law of average to operate properly. The smaller the society, and the more narrowly it is confined to one occupation, the greater the likelihood of a departure from the average, either up or down.

11,719. Have you set against that what the framers of the Act must have had in mind that the smaller the society, the more keen the society spirit was likely to be?—The framers of the Act put in the 10,000 limit, and I was one of the few who fought for a 10,000 limit.

11,720. Supposing you had the whole thing done by a centralised society, would there not be a loss as well as a gain, inasmuch as it would mean that the society spirit would disappear?—You would get the professional spirit, and you would have to pay for everything. We do get some work done by certain members, because they love the society and are anxious to keep the thing going.

11,721. By members who have a patriotic interest in the society?—Yes, I met a committee on Saturday night, five men who gave up the whole of their evening to deal with cases under the Act, and they did not get a penny for it.

11,722. I suppose that all the unions you have described have each an elected committee of management of some sort or another?—Yes.

11,723. And you rather think that they are tending to get rid of responsibility as much as they can on the health side?—Some of them are getting rid of it by handing the whole thing over to the head office.

The witness withdrew.

SIXTEENTH DAY.

Thursday, 4th December 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT:

SIR CLAUD SCHUSTER (*Chairman*).

Mr. WALTER DAVIES.
Dr. ADAM FULTON.
Miss M. H. FRANCES IVENS.
Miss MARY MACARTHUR.
Mr. WILLIAM MOSSES.
Dr. LAURISTON SHAW.

Mr. A. C. THOMPSON.
Mr. A. H. WARREN.
Mr. A. W. WATSON.
Dr. J. SMITH WHITAKER.
Miss MONA WILSON.
Mr. WALTER P. WRIGHT.

Mr. ALEXANDER GRAY (*Secretary*).

Mr. W. A. APPLETON further examined.

11,724. (*Chairman*.) I ought to have asked you in the course of my examination yesterday afternoon whether it is not a fact that you have some women in your organisation outside the National Federation of Women Workers?—We have about 10,000.

11,725. I think you said that there was something which you wanted to add with regard to certain

general questions?—I told you yesterday that I did not think that there was more malingering than one might have expected, but I thought that some of the excessive sickness was due to carelessness on the part of the medical men; so far as the women are concerned, wherever they are competing with men in laborious occupations, you must expect a higher ratio

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[Continued.]

of sickness than you will have among men in the same occupation. Also, in my opinion, the Act has been instrumental in bringing to general knowledge facts concerning industrial conditions and chronic illnesses which were formerly only partially known to very few people. I think that there should be some more definite control over the doctor in order that we might secure certificates that are more easily understood, and that we might be able to impress upon the doctor the fact that it is his duty to certify incapacity, and not merely inconvenience. I was at a meeting of doctors a week or two since, and they talked a great deal about the quackery among the medical profession. I do not know anything about that, but I do know that if anything of the kind does exist, the kind of close committee that investigates now, and does not report as to complaints, is not going to be helpful to the profession itself. My people have talked this matter over, and we feel that where we have paid benefits in consequence of a doctor's negligence in signing certificates, or because a doctor has signed a certificate, and has used terms that an ordinary man does not understand, such as the terms I mentioned yesterday, which mean loss of appetite or something like that, the doctor should be penalised. It is not fair that we should bear the cost of the doctors' mistakes in matters of that description.

11,726. When you talk of more definite control of the doctor, have you anything specific in your mind?—Yes. I think that the secretary of a committee acting for an insurance committee where doctors are concerned should not be a member of the profession, and it should be quite understood that wherever a society made a complaint, it should receive some answer to its complaint, and not merely an acknowledgment.

11,727-8. From whom?—From the insurance committee.

11,729. Do you know of any case in which the secretary is a medical man?—No, I do not. I do not know anything about that sub-committee. It is very difficult to get to know anything about them. What I mean is that the general impression is that those reports are one-sided, and that the whole matter is hushed up, if there is any sort of complaint against the doctor.

11,730. What makes you think that?—We get a case like this one at West Ham, which was brought up before the committee. This is one of the cases of doctors giving certificates in advance.

11,731. What is the date?—The first certificate is dated the 24th of October 1913. Benefit is paid for that week. The doctor at the same time dates a form for the 31st of the same month, but the man is at work, and no benefit at all is paid for that second week. Where a case of that sort is reported to the committee, we do not get to know definitely what sort of action the committee is prepared to take.

11,732. What happened?—Nothing. The clerk to the insurance committee wrote to the Commissioners, and they refused to express any opinion on the matter.

11,733. Did you write to the committee?—One of our secretaries, who is a member of the committee, raised the question verbally. He produced the certificates, and the matter was discussed by the insurance committee.

11,734. What did they decide?—They decided nothing. They remitted the question to the Commissioners. The Commissioners refused to answer, and the thing ended so far as we are concerned.

11,735. Why should it end as far as you are concerned?—It need not end if one pressed forward, but in view of all the work that has to be done at the present time, one cannot be pressing forward every case, and there ought to be some machinery to secure that a report should go back to the society whenever a report is presented.

11,736. What did they do? Did they send it to the medical service sub-committee?—That is all the information I have. We have heard nothing more about it.

11,737. That is a case in which you did not write to them at all?—That was brought up verbally, but

we have written, and in cases where we have written we have received no replies, and now we do not send original documents, but when we did, we did not get them back again.

11,738. Do you make that general accusation against all the insurance committees throughout England?—No, some of them are improving. For instance, at first the London committee were rather chaotic, but to-day they move as quickly as any committee in the country. Our people have not got over the idea that the Commissioners ought to have some control over these committees.

11,739. You understand what the procedure set up in the regulations is. It contemplates complaints by the society being automatically referred to the medical service sub-committee, and coming before the insurance committee again, and if the parties aggrieved desire there is an appeal to the Commissioners?—We have complained where a man's wife signed his name with a rubber stamp.

11,740. Have you any case in which you yourselves appealed to the Commission, not on the ground of the original mistake, but with regard to the fact that, as you say, you were not obtaining a hearing?—Some time ago, when we complained about these things, it was suggested that we should write to the Commissioners at the same time as we wrote to the insurance committee.

11,741. Would it not be more proper, if you did not get what you could call satisfaction from the committee, that then you should complain to the Commission?—Yes, but the suggestion was made some time ago that when there was any complaint we should send it in simultaneously, and we have done that.

11,742. That is what you have in mind when you talk about more definite control?—Yes.

11,743. (*Dr. Lauriston Shaw.*) On these points of certificates, I do not know whether you recognise that there is a disciplinary body controlling the profession quite apart from the Commissioners—the General Medical Council?—Yes.

11,744. And that a certificate stating as facts what the doctor knew to be untrue would be regarded as infamous conduct in the professional sense?—If a doctor for ten weeks in succession certifies different diseases for the same patient, he should be brought to book.

11,745. You recognise that there is a means of bringing him to book?—Yes. That has been a very serious matter for me. I have letters in which I am told that I must be very careful, and I know that the law of libel is a very awkward law as far as England is concerned. The truer the statement made, the more serious it may be for the man making it. We have been threatened that if we did say anything, the Medical Council would come down on us. The practitioners threatened that.

11,746. You have hinted in your evidence that you have got some modified certificate which would make things more satisfactory?—Yes. We have been trying to draw up the continuation certificate in a form that would impress itself on medical men. The draft sent out by the Commissioners seemed to detach his responsibility.

11,747. Have you conferred with any body of the medical profession as to the possibility of modifying that certificate?—No, I have not.

11,748. You think it would be wise if we could devise some agreed certificate?—I have only got the reports from my local people, which say that the doctors prefer the continuation certificates we sent out to almost anything else they have.

11,749. Have you gone far enough with your modification of the certificate to put it in evidence?—Yes.

11,750. The certificate you think might be more useful?—Yes.

11,751. Do you know that it is the general rule of insurance committees to refer complaints about certificates to the medical service sub-committee?—That is the understanding that prevails.

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[Continued.]

11,752. On the medical service sub-committee there are an equal number of doctors and representatives of approved societies?—Yes.

11,753. Do you not think that that is a fairly suitable body to go into any question of complaints?—I think it may be suitable in a year or two, when the laymen have begun to understand the meaning of medical terms and practice.

11,754. Do you, in your office work, make any use of medical men assisting you in dealing with certificates?—We have not done so except in two cases, those I referred to yesterday. One was a case at Grimsby, where the man reported that there was no one on the panel who was able to deal with the particular case of fracture of the ankle. He wrote to the clerk to the committee, who replied that it was true, as the man said, that there was nobody on the panel able to deal with this. He communicated then with a local medical man who was not on the panel. He took the case in hand, and got the man to work in a month.

11,755. That is not the question which I am trying to put you. It is this. When you receive the certificates in your office, is there anybody in the office with medical knowledge to whom you could apply?—There is no difficulty whatever when the certificates come to the head office. It is when they are placed in the hands of the local agents that the difficulty in that respect arises.

11,756. Obviously he cannot receive the assistance which you in the head office can receive?—No. That is the trouble.

11,757. With regard to this question of the doctors, and there having been some uncertainty as to the difference between incapacity and inconvenience, your complaint, I think, is that the doctor is certifying people as incapable of work, when in your opinion they are not quite incapable of work?—I am sure that they are not incapable of work in some instances, but I think in the first instance that it is only fair to say that there were very few doctors who took the trouble to read or to understand that they had got to certify incapacity. They simply said illness, and that ended it.

11,758. Do you not think that there is some difficulty even now for anybody to determine exactly what is meant by incapacity?—Yes, but we do not want to be unreasonable in a case like that.

11,759. A doctor might often mean "I think this patient incapable of work without increasing the length of his illness"?—If the doctor said that, so far as I am concerned, we should be only too delighted to have this expression of opinion.

11,760. Or the doctor might mean in his own mind, when he says "incapable of work" that it causes the patient to suffer so much more, that he ought not to be asked to do it?—I would never hesitate to pay on that.

11,761. You try to bring to mind that the words incapable of work are capable of wide interpretation?—Yes.

11,762. Most of the doctors would have a difficulty in defining it in certain cases?—It is not that kind of case that I am referring to.

11,763. These were cases in which you were convinced that the patient in no circumstances could be said to be incapable of work?—One man was certified to be incapable of work because he was suffering from sleeplessness due to the loss of his wife. A little hard work would have helped him.

11,764. You can hardly imagine a case in which insomnia would require complete absence from work?—Yes, I can, but if you have a man awake he would be improved by digging in a garden.

11,765. That is for the doctor to decide?—Yes. If I am tired out myself, I should go to dig in a garden.

11,766. But if the doctor recommended a period of staying in bed?—There are some doctors in whose hands I would immediately put my life without any hesitation.

11,767. (*Miss Ivens.*) You say that a great many of the difficulties that have been cropping up during the past nine months have been due to the inexperience of both societies and insured people?—That is a difficulty so far as general administration is concerned. Prior

to the Insurance Act coming into operation there were about 5,000,000 persons insured in the friendly societies and trade unions, and these would be selected lives. They had either been selected, or had selected themselves, and into societies of that description owing to the Insurance Act, there have been swept into insurance all the other people who never thought it worth their while to insure, and there are bound to be some misunderstanding and some difficulties of administration, but these do not affect the medical side.

11,768. Do you not think that the same thing applies to the medical profession, that we also have inexperience as to the exact meaning of incapacity for work?—I think that the medical profession is inexperienced as far as the Act itself is concerned.

11,769. You had particular difficulties with your women members?—Yes. We have had some, and I have made special inquiries.

11,770. And these difficulties have been felt especially with regard to pregnancy claims?—Yes. We have not had more difficulty with these claims than with other claims, except where the doctors have certified for something quite different from pregnancy, when it has been pregnancy all the time.

11,771. Have you been paying the pregnancy claims which are certified as pregnancy?—Only in accordance with the law. We have paid in some cases no doubt where probably had we stuck very strictly to the letter of the law, we should not have paid, but we have accepted the certificate.

11,772. You referred to a case yesterday where a certificate was given only for giddiness, and you seemed to think that it was a very careless thing for the doctor to do. What would you object to? Do you not know that giddiness might be a very serious symptom, or do you think that the doctor should have given further information?—Yes. Giddiness might be a very serious symptom, but it might also be the result of a very foolish night.

11,773. Would you approach the doctor in a case like that to get further information?—We should, but there has been a difficulty in approaching the doctors, they have been so dreadfully touchy.

11,774. Is that improving?—Slightly.

11,775. You make the suggestion that the nature of the illness in certificates should be stated in English, and that no medical terms should be used?—I would not like to say that definitely. I quite understand that there are times when the doctor may feel that he is justified in deceiving his patient as to the exact nature of the disease, but some cases were merely gunboils, and others used terms that would lead our people to make a collection for the poor fellow because it seemed so serious. That is not quite fair.

11,776. Do you not realise that there is such a thing as a medical dictionary which you can buy for a shilling?—Yes. I have got quite a number of them.

11,777-8. (*Miss Macarthur.*) I think that the General Federation has a special rule with regard to the representation of women on the committees?—That is so. There must not be less than one woman on any committee.

11,779. And you have two women on the central committee?—Yes.

11,780. You have experimented to a certain extent with nurses?—We have, but unfortunately so far as London is concerned, our experiments have not succeeded as well as we had a right to hope. We started out by circularising every doctor in the district to which the nurse was posted, explaining that she was not the ordinary sick visitor, and that we should not expect her to report as to malingering, or suspected malingering, or anything of that sort, but that she would be there to act under the supervision of the practitioner, and carry out his instructions. All we asked them to do was to tell the nurses where there were cases, and to instruct the nurses what to do with them. We thought that the presence of a nurse in a district would rather lighten the work of a doctor. Unfortunately the whole thing has been rather badly boycotted, and we have not had half-a-dozen references in the two districts from the doctors themselves. Whatever cases

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[Continued.]

have been handed to the nurses have been sent forward by the ordinary private individual, the member of the society. I only know one case sent by a doctor. It was a very serious case. It was not a member of our society but a member of the Prudential, and the local medical man asked if we had any objection to our nurse going in, and we said that if the nurse was wanted the nurse was there, and we had no hesitation in sending her in, and I believe that if they had had a nurse they would not have hesitated so far as we are concerned. In London we have felt a great deal of soreness against the doctors in the district who have not taken kindly to the matter. I daresay it is professional jealousy. We have also put a nurse down at Cradley Heath. She has been a great success because she has been able to find out patients and deal with them, simply because she was doing for the people what the doctors have not been able to do, we have reduced sickness benefit paid in that district from 42 to 26. Unless the doctors do more than they are doing, we shall be compelled to put a maternity nurse in Cradley Heath because the existing service is quite ineffective.

11,781. You would not claim that the whole of that decrease is due to the nurse?—No, but there are cases of septic poisoning that the nurse can take in hand, and they can see that proper treatment is persisted in, and I think that a great deal of the improvement is due to the fact that the nurse has been there. Some of it has been due to the fact that there has been keener supervision.

11,782. Would you explain to the Committee the financial arrangements of your branches with regard to surpluses and deficiencies?—All the branches have the right to retain two thirds of any surplus. One third comes to the general pool, and from that general pool we hope to help the less fortunate of our branches where they have deficits. The society is primarily responsible for its own deficits, but if there is anything in the general pool, we hope to help those who have been unfortunate, but not those who have had maladministration, because we could not tell where an epidemic may hit, or where excessive sickness or occupational sickness may come in, and it is only proper that any surplus we have should be available to help those who are awkwardly placed. That is one of the objects of our existence.

11,783. Therefore it is in the interest of all in the branch to have it administered carefully and economically?—Yes. They know that. At first we have allowed them what the Commissioners estimated that they ought to spend during the month, and we found that we had some difficulty in getting receipts, and we put them on the imprest system, and we find generally speaking that they are administered very carefully. They have their own administration moneys, and one of our societies pays no salaries at all until the end of the year. If they have no money, there are no salaries. That society is administered very economically indeed.

11,784. Which society is that?—The Upholsterers.

11,785. That economy of course is on the administration account?—Yes. But with regard to the benefits account they have been told emphatically over and over again that the money came out of the pockets of the members, and if there were any wasteful administration, the members themselves would have to suffer. They have been told that they themselves will suffer in the event of a deficit in the benefit accounts, and that a levy will follow them no matter where they go. They understand perfectly that it will be possible to recover such levies through the employer as at present contributions are recovered, and I think that that has helped to some extent to make them understand it.

11,786. Are you satisfied with the supervision of the payment of benefits?—No. I suppose no one is perfectly satisfied. I am satisfied that I have done excellently in view of the difficulties that I have had to overcome, and the time in which we had to overcome them; but every day one is thinking out, or endeavouring to think out, new means of checking anything in the way of wastefulness, and for that reason we have appointed a woman visitor in Manchester, who will devote her whole time not as a

spy but as an adviser, and we shall put a nurse in Manchester. We feel it will pay us to do that. We are putting a man in London, who knows the docks and dock life well, and will be able to go round and help to keep things down in that way.

11,787. (Mr. Davies.) With regard to doctors' certificates, do your complaints refer to the early days of insurance rather than to the present?—Here I have a note from one of my people who is in the Manchester district, dated the 1st of December—"I want to emphasise the fact that doctors giving certificates without, in the first instance, seeing the patient, simply on the receipt of notice, ought to be just as much subject to a penalty as the men for this course of conduct."

11,788. Has any complaint of that kind found its way to the committee in Manchester?—Yes, and there was an enormous lot of correspondence, in connection with it.*

11,789. Is it within your knowledge that a special committee exists in Manchester to get that kind of complaints, deal with the doctor direct, and report to the committee?—No.

11,790. Would you accept my word that such is the case?—Certainly.

11,791. Do you think that the complaints apply to many or few cases?—I am sure that they must apply to many, because my complaints are general. My local people write complaining generally to my staff in the head office. All the medical certificates go through the hands of the head office staff, and they are constantly coming to me with complaints.

11,792. I thought that we had now passed the time when there was any general complaint with regard to certificates, and that the new certificate as agreed between the committees and the various societies, which sets forth: "I have this day seen so and so," was giving satisfaction?—There is less trouble.

11,793. I understood that we had not had one single complaint with regard to that particular certificate since it was issued?—You may take it that it is not quite true to say that there has not been one single complaint. I will get some for you, now that I know you have a committee in Manchester. One of my letters of complaint is dated September 13th.

11,794. With regard to the important statement which you made yesterday with regard to the doctors' certificates, and the use of names of illnesses which you do not understand, are your members, who are working this now, members who previously acted in connection with ordinary insurance?—No. They acted as ordinary trade union officials, but some of them had no experience of sickness benefit; others had, because some of the unions had sickness benefit, but we never had any trouble in the old days with certificates.

11,795. If in the old days they got a certificate with an unusual name, they would possibly go to the doctor and ask what it meant, and whether it was right to pay on it?—Yes.

11,796. Would they not do that now?—No. We have not been in the habit of doing that now.

11,797. Have you issued any particular instructions with reference to this matter, seeing that you are liable to pay so many claims on account of the doctors using these certificates?—Only general instructions that they are to be exceedingly careful as to paying, and if there is any doubt, or if they do not understand, they are to make inquiries from the head office.

11,798. Have you never advised your secretaries to buy a medical dictionary, and before they pay on a certificate to test its accuracy?—No.

11,799. Would not that be an easy way?—Yes. I was going to suggest that the Commissioners themselves might issue a leaflet dealing with common ailments, and suggesting the probable duration. If that was in the hands of our local people, the moment they found that a person was going on longer than the period, they would begin to make inquiries.

* See question 12,083.

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[Continued.]

11,800. You think that it would tend to a better understanding and to a more complete working of the system if, by some process, confidence could be set up between the doctors and the approved societies?—I am certain of that, because I think that if we got to know each other, we should not be quite as much inclined to quarrel with each other as at the present time.

11,801. And out of that confidence, if there was a working committee of so many doctors and so many from the approved societies, do you think that that would create a feeling which would do away with two-thirds of the difficulties we have to face with the doctors?—I think that that would be a common-sense action and do away with a great deal of the difficulty that exists when, if a local official goes into a surgery, the doctor says: "Get out of my surgery; you do not know anything of the Insurance Act," whereas the man may know a great deal about it.

11,802-3. In your outline of evidence you say that you have had no cases of deliberate and conscious fraud, except one or two arising out of compensation cases, and that with regard to the working of section 11 of the Act, there is some collusion between employers and workmen in accident cases. Will you state more fully the connection of the two clauses, and how the refusal to press compensation cases, has had any effect on your excessive sickness claims?—I do not think that it is so much a case of refusal as a sort of understanding that may exist, and I fear does exist occasionally, between employers and workmen. Before I came to London I had a great deal to do with compensation cases, and it was a common thing for an employer to say to a man, "Don't worry about compensation. There is a 5*l*. note. Go and get sick—ness benefit. You will be better off that way."

11,804. (*Chairman.*) Was there any bar to sickness benefit in the old days, if compensation had been received?—No, but there was the fear that the man might be victimised by losing his situation. Of course in some cases the trade unions have killed that altogether. There is, I believe, in some unions no need to have any fear at all, but recently I felt that there was not the number of compensation cases coming forward that there ought to be in view of the experience gained some years ago. I found some little while ago that one man had accepted 17*l*. in settlement of an injury that in all probability will disable him for life, and I began to feel that the time had arrived for making inquiries, and all my secretaries are making inquiries everywhere to try to find out whether anything of that kind is operating.

11,805. (*Mr. Davies.*) Have you issued any instruction to your branches, where an accident of this sort has occurred giving rise to a claim, to enter into any appearance that must be made?—Yes, as far as trade unions are concerned there is not much fear of us hesitating in exercising the right, because the unions themselves very closely watch this side of the case, and we should not hesitate on account of the cost, because we should only have to report to the trade union side, and they would take it up, and if any collusion arose they would fight it, and it would not cost us a penny.

11,806. (*Mr. Wright.*) I may refer to three sentences from this proof which you have put in. The first is this: "Experience suggests that there is no more malingering than one had a right to expect." Then you also state: "Comparisons are not worth much" where men who in times of normal employment are "better off." And thirdly, "At present unemployment is below the normal percentage, and is negligible" while employment is good, but should the conditions of 1909 be repeated, the consequences will "be serious." Would you mind amplifying that?—In the first place, I have knocked about the world in various countries for a long time, and I know that if there is any money about, you will find malingering in every class, and attempts to get it. I quite anticipated that there would be some malingering, and that we should have to watch over that. Then when I say that, comparisons are not worth much unless conditions are similar—

11,807. Is it with regard to the people benefited?—It does not pay the ordinary workman who is earning anything over 18*s*. a week to go off sick at 10*s*. a week. He has a family to consider. He must go on working, if he can possibly do so, but if you get a state of unemployment, such as you had in 1909, when there were 9·5 per cent. unemployed, you will have a lot of semi-starvation, and consequently a lot of illness, not necessarily malingering.

11,808. You told us that you had taken all possible precautions to impress upon your members the view that they would ultimately have to be at the cost of any heavy sickness experience?—Yes.

11,809. Do you think in spite of that—suppose the conditions of 1909 were repeated—that they would risk the ultimate consequences, and would claim sickness benefit?—They could not help themselves. They would be perfectly justified in claiming sickness benefit. In a large number of cases, their vitality would be reduced in consequence of insufficient feeding, and then they would easily succumb to disease.

11,810. You do not mean that they would necessarily malingering?—No. I do not mean that at all.

11,811. Do you not think that they would draw sickness benefit really as unemployment benefit?—No, I do not. You might have cases, but speaking generally they would not.

11,812-3. With regard to the admission of members, you admitted to membership of the insured section all members of affiliated trade unions, irrespective of their state of health?—Yes.

11,814. Only excluding sick persons who were not members of one of the affiliated unions?—Yes.

11,815. Have you any idea of the number of persons admitted to membership, who were suffering from chronic disease or disablement at the time of their admission?—Very few indeed, because they were bound to be employed persons. On the whole we may claim that we take the cream of the working class lives in our trade unions, so that the standard of health is fairly high, and we did not incur any very serious risk. One of our societies, in a fit of sympathy, decided to take in all the blind people who were at that time resident in, or inmates of, the institution for the blind in Dundee. When I complained bitterly of their stupidity last week, they said, "They are the best" members we have got; we have not paid a penny "for sickness benefit for them since they came in." If we had a case of a man who was highly skilled and rather weakly, we would not raise any serious objection to his coming in, because one thing would balance the other, and we have some of these; but on the other hand, we have the best of the lives.

11,816. Are there rules governing the conduct of members while in receipt of sickness benefit?—Yes; they are not quite as strong as we hope they will be. They must not be out after 8 o'clock at night. We see particularly about that. They watch each other pretty closely.

11,817. Rule 134 states that failure to carry out any reasonable instructions of the medical attendant, or persistence in any action or conduct which was specifically condemned by the medical attendant or the insurance committee during such period as a member is in receipt of sickness benefit or disablement benefit shall involve for the first offence a fine?—Yes.

11,818. Why were the words "the insurance committee" inserted there?—These rules were drafted before we began to administer, and we thought that there was a possibility that the insurance committee might have some sort of jurisdiction, and we provided for it.

11,819. You recognise now that the committee has nothing to do with the supervision of sickness claims?—That is so, except that it might have something to say to the central council.

11,820-1. Rule 138 required that all fines and other penalties must be payable, and sent by the secretary of each affiliated society and forwarded to the executive board during the first week in January, April, July, and October. Have you any statistics showing what you have received?—No.

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11,822. Have you received any?—Very few. We have received letters stating that they have fined so and so, but there are very few fines.

11,823. May we take it that no penalties have been inflicted?—No. They have been suspended in a number of cases where we have been in doubt.

11,824. In those cases of suspension has the benefit been paid?—No, not for the period during which they have been suspended.

11,825. You could not tell us the number of suspensions?—No, I could not. They are not very serious.

11,826. Rule 139 provides: The committee of an affiliated society may expel from the society a member of the society for any of the following offences (a) accepting or continuing in employment where an employer or employers are involved in any trade dispute without the permission of the committee of the society to which the member belongs. Has that rule been carried into effect at all?—We have had no case of expulsion under that rule yet.

11,827. With regard to Rule 139 there is a proviso that the committee shall not refuse to allow a member who is expelled under this rule, and is unable to obtain admission to another approved society on account of the state of his health, to continue a member of that society for the purpose of benefits under the National Insurance Act?—That is so.

11,828. So you would only expel a member for the offence against your trade union, provided he was able at once to enter another society for benefits under the Insurance Act?—That is so.

11,829. With regard to the doctors, you gave us examples of certificates in which very ordinary complaints were described by Latin names, and you quoted gumbol and loss of appetite?—Yes.

11,830. What reason do you think the doctor has for declaring members on the funds for such complaints? Is it merely hatred of the Act, or a desire to placate the patient?—I do not like to suggest what is any man's motive for doing anything. I should say very often that it is due to the fact that the doctors themselves have not had time properly to examine the patients, and that they have got into the habit—perhaps they are very young doctors—of using big words and awkward terms, when small words would be quite as effective.

11,831-2. Have you any knowledge as to whether many of your members obtain medical treatment from the panel doctor without at the same time obtaining certificates to declare on the funds?—No. I have no knowledge of any cases of that description. There have just been a few cases where a man has got a certificate, and then has found that he could go back to work, and he has gone and made no claim.

11,833. Do you think that the idea of the insured member of your society in going to the doctor is in every case to obtain a certificate?—In every case he goes to the doctor in the hope that the doctor will be able to alleviate some pain or cure some disease, and he also expects that he will get a certificate which will enable him to recover sickness benefit, if his illness keeps him away from work.

11,834. You see the distinction I am trying to draw as to whether your members go to the doctor with the desire to obtain some alleviation of the disease from which they are suffering, or whether they go with the intention of asking the doctor for a certificate declaring them on the funds?—They go with the intention of asking the doctor for a certificate, because they believe that there is something to which they are entitled, and that is the only way of obtaining it.

11,835. I may take it from that that very few of your members go to the doctor without the intention of bringing away with them a certificate?—Very few. They would consider it a waste of time.

11,836. You say in your outline of evidence that you know a few cases in which doctors declared patients on the funds without an examination of the cases. Have you any instances of that which you can give us?—Yes. We have one here in which certificates were signed for five or six weeks in succession without the doctor examining or seeing the patient.

11,837. Can you give us the details?—The certificates are signed on the 28th of July, and August the 5th, 12th, and 19th.

11,838. What proof have you that the doctor did not see the insured person?—The person's own admission that the doctor did not see her. She went away from the district ultimately, and I understand got a certificate from a doctor in another district.

11,839. How was the certificate obtained from the first doctor?—I cannot say. They have got certificates signed by the doctor sent by post sometimes. My men report that even to-day it is done, or that the wife of a man goes to the doctor and describes the symptoms, and the certificate is sent.

11,840. You are satisfied that in that particular case the doctor gave all those certificates without seeing the patient?—Yes, and we were also perfectly satisfied in the other case that the doctor's wife stamped the certificate, and the daughter stamped it, but the daughter stamped it in the wrong place, and that caused inquiries to be made. The doctor admitted that the stamp had been used, and promised that it should not be used again.

11,841. Have you any opinion with regard to the system of payment of doctors?—Yes, that it is better to pay by fixed grant, than to pay so much per visit.

11,842. That is you would prefer the capitation system to the system of payment by visits?—Yes.

11,843. Have you thought that matters might be improved if the doctors were paid a fixed salary?—I think that they might be improved, because there would be no financial incentive to keep people on the list any longer than it is necessary to keep them there; and after all in the case of insurance it may be that if the doctor made himself very obstinate, he might have people wishing to go off his list. I have one or two cases in which the doctors have written to me that they could not find any cause for the pains the patient is suffering from, and we make inquiries and remove from his shoulders the onus of having to declare that the man was quite capable of work. I have done that without saying anything to anybody else.

11,844. In those cases the doctor suggested that he was afraid to accept the onus of refusing certificates, because he might lose that particular patient?—He would injure himself in his business.

11,845. That is the suggestion that has been deliberately made to you—that the doctor would injure himself in his business?—Yes.

11,846. You say that the officials of the Upholsterers Society wait until the end of the year before receiving any remuneration for their services?—Yes.

11,847. Are we to understand that whatever balance there is in the administration account will at the end of the year be devoted to salaries of officials?—No, but they felt that they would be then perfectly clear as to what they would be able to afford to pay. I wish everybody would do the same thing.

11,848. That is an exceptional case?—Yes. In some districts it is only fair to say that they want to know how much they are going to get before they will stick a stamp on a letter—in Scotland particularly.

11,849. How is the work divided up? For instance, who is responsible for keeping the registers?—We are, in the head office.

11,850. In respect of all the affiliated unions?—Yes. It is too great a risk to let them go into the hands of rather unskilled people.

11,851. What duties in connection with insurance devolve on the local trade union officials?—They first of all distribute the contribution cards. Then they collect them, when stamped, and forward them to the head office. Whenever a member wishes to claim sickness benefit, he obtains a declaring on form from the local official. He gives the signed form together with the medical certificate to the local official, and he is then entitled to receive his sickness benefit, provided the local official is satisfied that he is really ill and that he is not at work. We have means, perhaps outside the ordinary society, of knowing when a man is at work and is not. His mates in the shop know, and soon let you know. We have had only one case. He

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was a baker. He was always in bed when the sick visitor went in the day time, and we found out that he was at work all night.

11,852. The warrants for sickness benefit are remitted by you?—Yes, to the secretaries of branches.

11,853. What are the secretaries of branches paid in respect of insurance work?—Some of them are paid nothing; some of them get 1*d.* per member, and some 2*d.* The highest I know gets 6*d.* per member per year for his work. The branch official, whom we employ directly from our central office, is paid 1*s.* a year.

11,854. What is he called?—He is just the local agent.

11,855. What are his duties?—He distributes and collects the cards, and receives any applications for sickness benefit. On Wednesday, or Wednesday night, he fills up a form showing the number of applications, and sends it to the head office, where it is checked, and if it is correct the exact amount required to pay the benefit is sent down on Friday or Saturday, and then he becomes practically what in a friendly society would be called a sick steward, and takes the money out.

11,856. How many officials have you connected with the local branch of the affiliated union?—They vary according to the number of the branches. Some unions have a large number of small branches. One trade union I know, containing 1,200 or 1,500 members, has 30 branches. You can only have so many in a branch because it is assumed that the local official can only reasonably look after 200.

11,857-8. Take the ordinary normal case of one branch of the trade union in the town; will the secretary of that local branch perform the duties that you have just detailed to us, with regard to the distribution and collection of cards and the payment of sickness benefit?—Yes.

11,859. Then what are the duties of the agent to whom you referred?—I think that I told you that we had originally 198 branches, but 44 of them got so disgusted with the whole business that they gave it up, and would not administer any longer, and we had to take charge of it in the head office. In order to keep in touch with the people on the spot we appointed agents. Usually they are old branch secretaries, but we take off some of the work, and make things easier for them generally, and they become really our local agents, entirely responsible to the head office.

11,860. For those branches of the society whose work has been taken over by the head office?—Yes.

11,861. The agent is generally paid 1*s.* per member per annum?—Yes.

11,862. What are the head office charges in respect of the account keeping and administrative work?—The arrangement is that whatever is allowed for administration is divided between the head office and the branches.

11,863. The branch share is 1*s.*?—No. The branch share is about 1*s.* 8½*d.* Originally we were to be allowed 3*s.* 8*d.*, but 3*d.* was taken out of that for the insurance committees.

11,864. 1*s.* 8½*d.* goes to the branch?—Yes.

11,865. You have told us that the man who does the work gets something varying from 1*d.* to 6*d.* per member per annum?—That is the actual secretary of the branch.

11,866. So, deducting 6*d.* from 1*s.* 8½*d.*, that leaves 1*s.* 2½*d.* What happens to that?—The branch secretary gets the rest. He has a great many expenses for postage, stationery, and a lot of little things which have to be done in connection with the administration.

11,867. I am putting this because you say that no money is available for the payment of sick visiting. You say in your outline of evidence that it is not worth the money; as at present organised the visitors can only go at limited times, and there is not sufficient money to pay a professional sick visitor?—We could not afford to pay a whole-time visitor in places where we have only, say, 500 members.

11,868. Do you seriously tell us that the local branch of an approved society which has remitted to it 1*s.* 8½*d.* per annum, and only pays 6*d.* to the man who does the work, spends 1*s.* 2½*d.* in the rent of rooms, postage, incidentals, and so on?—I never suggested

that the man who got 6*d.* does all the work. The man who gets 6*d.* is the secretary of the branch who supervises and helps the sub-branches, who are scattered over different districts. The remaining 1*s.* 2½*d.* is not spent in that way. It is not spent in some cases. It is carried forward to the next year's account. Some of the societies have saved a lot of the administration money.

11,869. Yet they have not any money to spend on sick visiting?—I do not say that. I say that it would not pay to spend money on professional sick visiting in districts where you have only a limited number of members, and where the sickness benefit claims are not excessive.

11,870. Would it not be possible for some of the branches to join together for the payment of a sick visitor?—Yes. We are taking steps to get them to join together, and unite to cut down expenses. At Swansea two branches have joined together and have divided the town into districts, and have cut down expenses by doing that.

11,871. Do you think that the administration of the National Insurance Act is suitable work for trade unions?—I think that it is excellent work for them. I did all I could in connection with the insurance because I thought it would steady them, and apart from self-education, it would compel them to train themselves in directions in which they never thought of training themselves before. I knew there would be difficulties, but that the overcoming of these difficulties would make them infinitely better men for our work than they ever were before; and if the insurance has been a nuisance in some respects, it has been valuable in that respect, that it has compelled their education in directions that would be extremely valuable to them in future.

11,872. You said that you met a committee of five last Saturday night who meet every week to administer the affairs of the branch, and receive not a halfpenny for their services. Is that exceptional?—It is the exception, but I have another committee for London doing the same thing.

11,873. As a general rule the committees are paid for their services?—They have always been paid, but not paid anything like what they were paid for the old union work. Usually the fee is 6*d.*, and it includes in some cases tram or rail fares.

11,874. You have heard no complaints that members of insurance committees do not feel inclined to work for nothing?—Forty-four of them have given it up because they would not work for the State for nothing, but fortunately we have a leaven who are prepared to do things because they love to do them.

11,875. (Mr. Warren.) Then I may take it that the rule with respect to sick visiting, which provides that each affiliated society or branch shall appoint a sufficient number of sick visitors to secure that each person in receipt of sickness benefit, and so on, is visited every week, is not carried out?—No. I would not say that. There may be cases where it is not carried out, but generally attempts are made to visit. But one of our difficulties is that our people are compelled to go to work in the day, and can only visit at night. Occasionally it would be wise for them to visit in the day time, because if there is a desire to malingering, it becomes much easier when you know that the sick visitor can only come at certain times.

11,876. Then we may take it that your sick visiting is incomplete?—I would not say that. It is incomplete in the sense in which every other society's is incomplete at the present time. I have not come across a single society that is perfectly satisfied as to the effectiveness of its sick visiting in all cases. I think that our figures are fairly decent proof that our supervision and sick visiting are fairly efficient.

11,877. At any rate you do not regard it as entirely satisfactory?—No. It would be stupid to suggest, in the little time we have had, that we had evolved a perfect system.

11,878. I think that I gathered yesterday afternoon that in your opinion there had been a general misunderstanding on the part of insured persons as to the real meaning of national insurance?—There was

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misunderstanding in the beginning. Many people did feel that it was a State affair, and that the State should be had for as much as you could get out of it.

11,879. And probably that was more true of women than of men?—I feel sure that it was. I mean they have not the same experience. They have not been grouped together; they have not been working together in the same way as men have. It is 30 years since I began to be connected with various societies, and as president of a trades council I was constantly being asked to advise not only men's societies but women's societies, and I was in frequent touch with them in 1899 over the South African War. I had about 3,000 women on my hands for about three years, and I saw a great many things in connection with their attitude towards funds. They have been compelled for a great many centuries to get the best of every bargain they could, and they tried to get the best they could in insurance.

11,880-1. That leads you to say that women's conception of insurance matters is limited by their determination to secure the best of every bargain, and that they are inclined to regard insurance as they regard ordinary commodities?—Yes. In a hundred years, or probably less, they will regard it very much as some of us have regarded it.

11,882. At any rate there is a better understanding now both in respect of men and of women?—Yes.

11,883. And they are now realising that they stand or fall by the experience of their own particular society?—Yes. They are beginning to understand that much more clearly, men and women.

11,884. You told us this morning that they understand the probability of a levy in the event of their being unsuccessful?—Yes.

11,885. And that the levy would follow them; is that appreciated by the members, or only by the officials of branches?—As far as our members are concerned, it is generally appreciated by them, because it was one of the bones of contention when the Bill was before Parliament, but I do not think that as yet the women understand it quite as clearly.

11,886. Are you taking any steps to make it clear to them?—Yes. Every opportunity we get, we try to make it clear to them. In some instances we find that the teaching is having its effect, because the women themselves are voluntarily beginning to watch, and report if they think that there is anything in the shape of malingering.

11,887. Of course in common with most societies you have more difficulty in supervising the claims of women than of men?—Yes.

11,888. You were asked yesterday with regard to over-insurance, and double benefits, and I think that you said that generally speaking there were not many members in your federation of trade unions who were insured with friendly societies?—Not so many. When we took the matter over, we never put any pressure on them to leave friendly societies. In fact in many cases I strongly advised them to remain where they were.

11,889. Do you think that you have sufficient knowledge of your members throughout the country to be able to say that the majority of them are only insured so far as the trade union and the national insurance are concerned?—I have a fair knowledge of them everywhere. No doubt there are some who kept on the whole insurance if they could. In the old days we had them in as many as three societies.

11,890. You mentioned yesterday the district of Ilkeston, among others, as a centre of the hosiery trade. If my memory serves me that would compare with such places as Langley Eastwood, and so on, in which there are very large hosiery undertakings?—Yes.

11,891. A very large number of the men, at any rate, among the people there, are members of friendly societies?—The friendly society movement is very strong in that district.

11,892. In that district there would be quite a large number of persons who would be entitled to threefold benefit?—It is possible that some would be entitled to threefold benefit.

11,893. But you would not say that over-insurance has much to do with the average of claims for sickness benefit?—Over-insurance would rather tend to make a man remain off work longer than was absolutely necessary.

11,894. You have mentioned cases of doctors' certificates being granted without the doctor seeing the insured person. Would the same apply with regard to continuing certificates?—Those are continuing certificates. We thought that they were a convenience for the doctor. Perhaps they have not been altogether wise for us, because I have complaints from secretaries who say that the doctors in some cases sign, and hardly realise that their signature in the sixth week covers their certificate in the first week. I am asked by some of my societies to get rid of the continuing certificate. They say that it may be a great convenience to the doctor, but that it also tends to make them regard things lightly.

11,895. If the doctors are in the habit of granting declaring-on and continuing certificates without an opportunity of interviewing the insured person, may we take it that they are also granting declaring-off certificates without an interview?—We have some difficulty with regard to declaring-off certificates sometimes. You always have a difficulty when there is anything in the shape of a form when you cease to pay, and if there is any sort of declaring-off time and the patient has declared off we may have a difficulty in getting the last receipt, and sometimes there is a difficulty also in getting any formal declaring-off certificate. But now we are sending it back to the doctor and asking for it formally.

11,896. Have you had to interview any of the panel doctors yourself?—No. I hardly dared.

11,897. What has been the general experience?—At first it was very unpleasant indeed. In some cases they were ordered out of the surgery. In Southampton the doctor threatened to throw a man out of the surgery. It would have been interesting if he had tried the experiment, because the man was a great powerful docker. Latterly they have not been so bad in that respect. People are more considerably treated.

11,898. Have you any previous knowledge of the administration of medical benefit through the friendly societies?—Yes, because my own trade union had friendly society benefits.

11,899. Do you think that it would help to remove the difficulty, if there were some form of restoration to the friendly societies of the administration of medical benefit?—I always thought, short of a State system, that it would have been better to leave the control of the medical man in the hands of the people who paid the medical man.

11,900. If your officials have reason to believe that insured persons are attempting to malingering, what steps do they take to ascertain whether that is so or not?—He is warned, and suspended, and he must come and prove to the committee that he is entitled to receive benefit, or he will not get it.

11,901. In all cases where there is a suspicion, they are called before the committee?—In most cases. Sometimes they will not face it. The warning is quite sufficient.

11,902. In most cases they go off the funds?—In one case I sent one of my staff, on whom I could depend, with instructions not to be harsh, but to ascertain the facts. Before she had time to make a single inquiry in the district, 28 of them declared off. But she stated in her report that more than half of them should not have declared off, because they were really ill.

11,903. What was it that prompted them to declare off, if they were really *bona fide* cases?—I think that when they heard that there was somebody coming from London they thought there might be trouble, and they were not quite certain whether they were ill or not. Those were women who had been absolutely worn out by their efforts to perform the same kind of laborious work as men for many years.

11,904. Has it come to your knowledge whether in any number of cases in which insured persons have obtained declaring-on certificates, and also prescriptions from the doctor, the prescriptions did not find their

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way to the chemist?—No. We have not had a single case reported.

11,905. In your opinion, after twelve months' intimate connection with this work, what do you consider your principal difficulties in the administration of sickness benefit?—The difficulties vary according to the localities and the experience of people you have to deal with. Our principal difficulty has been really due to the multiplicity of things we have had to send to the secretaries. They say that they have had to give so much time to trying to understand the varying regulations, that they have not had time to look after people as they would like to have done. We have no particular difficulties that we cannot get over. This question of supervision is one as to which we are peculiarly well placed for getting over it; and there is the question of the laxity of the doctor.

11,906. Do you think the difficulty of the many regulations will be got rid of as time goes on?—Yes. That is certain to happen. Many of the regulations do not mean very much. Experience will teach us all the things that matter.

11,907. (*Mr. Mosses.*) Are the rules of your society uniformly applicable to the whole of the federated societies?—Yes.

11,908. You have some 140 societies?—154 now.

11,909. Do you exercise any control over the administration of the benefits by these 154 societies?—Yes, because we will not send any money until we get the receipts, and are satisfied that the receipts are in order.

11,910. But the money is actually paid before you get the receipts?—Yes, actually paid by the trade union itself.

11,911. The determination of the question whether the insured person is eligible for benefits is in the hands of the society in the first instance?—Yes.

11,912. Then all the papers are subsequently sent on to you?—Yes. Every week.

11,913. Then you are a kind of clearing house?—Yes.

11,914-5. Some of these 154 societies paid sickness benefit before they joined you. Could you give us any idea how many did so?—No. I could not because there has been this giving up, and the transition into the central section.

11,916. Have you any data to show the comparative sickness paid by any of the societies before and since the affiliation with you?—No. I have only letters saying that in many cases the claims for sickness benefit on the private side have gone up since the Act came into operation.

11,917. Have you any official means of ascertaining the condition of trade in the various societies?—Yes, and I am developing those means at present. I have got a man on specially inquiring into those things, because the figures which you get from the Board of Trade are usually twelve months old when they are issued.

11,918. Trade has been very good for the last nine months?—Yes, ever since the Act came into operation—very good indeed.

11,919. You do not complain of malingering?—No.

11,920. But your actual experience shows that the actuarial estimate of both men's and women's sickness has been very closely approached by you?—Yes. So far as men are concerned we approach it; so far as women are concerned, we exceed it.

11,921. Then you would look forward to a depression in trade with considerable misgiving?—Yes.

11,922-3. Is the expulsion of members for trade union misdemeanours carried out by the society?—We have never yet had to do it, but the society would report to the head office, and would have to satisfy us before we could really expel. It is not quite so drastic as I wanted it myself, but the Commissioners insisted on whittling it down until it was not worth much.

11,924. Do you deal directly with branch secretaries or through the general secretaries of the organisation?—Mainly through the general secretaries of the organisation, except where the general secretary has asked us to take the burden off his shoulders.

11,925. That is the 44 dissenting societies?—We have one or two others; but that is only at the request of the secretary himself.

11,926. Some of the unions that are affiliated with you have been accustomed to pay a great variety of benefit?—Yes.

11,927. For example, unemployment benefit?—Yes.

11,928. Which is very much more important to the union than sickness benefit?—Much more important.

11,929. And they have had sickness benefit for a great number of years?—Yes, for years.

11,930. So that they have had a great deal of experience in regard to the payment of benefit?—They had a variety of experience that no other form of society could have had.

11,931. Because of that experience they are more capable of paying the sickness benefit than any other class of official you know of in these industrial movements?—I should say that they would be quite as capable.

11,932. (*Mr. Thompson.*) Do you anticipate that you will have any difficulty in keeping the administration expenses down to 3s. 5d.?—I am rather afraid so sometimes. At first I felt certain that we should save 25 per cent. at least of the head office expenditure, but conditions have changed, and developed expenditure. That has not been due to any fault of ours. If we had had a clear cut scheme, and everybody had known what he should have done at the beginning, I think we could have saved money.

11,933. I am not suggesting that your experience is exceptional at all?—No.

11,934. And that is in spite of the fact that a great deal of voluntary work is done outside?—Yes.

11,935. And some underpaid work?—So far as whole time work is concerned, we have no underpaid work. We must pay the clerks the minimum to start with. But so far as our own fellows are concerned, you may safely say that every trade union official is underpaid. He is doing trade union work night and day mainly because he loves it.

11,936. That is in connection with the question of sickness benefit?—Many of them are taking that as part of the burden.

11,937. Would the low-paid work extend to the head office as well?—All the people we employ permanently are paid the standard rate of wages. Our minimum for clerks is 35s. for a 42 hour week.

11,938. I notice that you divide the 3s. 5d. into two sums of 1s. 8½d. Do you suggest that the work is equally divided?—No. We consider that in the head office we do three parts of the work.

11,939. Do you regard with pleasure or dissatisfaction the amount of voluntary or underpaid work?—I do not like to be constantly asking people to do things that have to be done under the Act, when they know that there can be no payment for them. I dislike doing things myself when I know that I shall not be paid, but I have gone on doing them.

11,940. Have you contemplated at all whether in the work of the approved society more of the outside work should form the subject of a trade union rate in future?—No. We have been too busy to consider whether the outside work should be paid for at the trade union rate. That would mean a revolution among trade unionists themselves. I have contemplated the possibility of a trade union rate for trade union officials. I mean within our own ranks. It obtains in Germany at present.

11,941. For State insurance work?—No, for ordinary work, and it would extend to State insurance work inevitably.

11,942. (*Mr. Watson.*) You say that you allowed the branches what the Commissioners thought that they ought to spend?—When the Commissioners estimated that it would cost 3d. per week for men and 2d. for women, we based our allowance to the branches originally on that estimate.

11,943. But you must know that that estimate, so far from being an estimate of what the Commissioners thought that you ought to spend in your society, was

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merely a very rough figure based on the average of all societies?—That was so.

11,944. You quite understand that special conditions might make your experience very different from that?—I quite understood that, but when starting we knew that you did your best to keep everybody down to the minimum. It is much easier to raise than to go down.

11,945. It was an average, and not a minimum?—Yes.

11,946. Do you think the fact that the Commissioners have issued money on that basis and have given societies to understand that 2d. and 3d. is about the general average is tending to make the societies satisfied if they keep within those figures quite regardless of what their expense ought to be?—No. I do not think so, because they are conscious of the fact that if they do save, they will be able to pay increased benefits ultimately.

11,947. Have you had any members who have drawn the full 26 weeks' sickness benefit?—Yes.

11,948. What steps have you taken to ascertain when those members recovered?—We issued a post-card which states that the member recovered on such-and-such a day, and we pointed out several times in our circular letters that unless postcards are returned we shall be carrying on arrears against them. We find that we are getting those returns very well.

11,949. Have you got a certificate of recovery at the end of the 26 weeks from any of these members?—No. We have no certificate of recovery. They are still ill, and still open to go on paying the contributions, and become entitled to disablement benefit. But we have that card to remind them very forcibly that the moment they are able to return to work they are to send us the card in order that we may know what arrears to debit them with.

11,950. Are you thinking that the card forwarded at your request is the same as the doctor's certificate of recovery?—No.

11,951. Is not that very important?—It would be important.

11,952-3. Are you not likely to get into difficulty with the auditors?—I shall be very fortunate if I escape getting into difficulties with the auditors.

11,954. Under the Act any member who has received sickness benefit has that sickness benefit counted against him?—Yes. If I had brought the correspondence, you would see that we try to give them all the information as to the provisions of the Act.

11,955. You do not think that any of your members who run through the sickness benefit are likely to come along after the expiry of 12 months and say, "I have been 12 months off, and now I am entitled to sickness benefit"?—I am quite sure that they would have done so prior to a month or two months ago. I am equally sure that they will not come now, because it has been made quite plain to them that they will not get anything.

11,956. What is the attitude of the society with regard to the doctor's certificate as a qualification for benefit? Does the society regard it as entitling to benefit?—Yes. Practically that is the case. It was a very serious matter for us to refuse benefit where we had a doctor's certificate stating that a person was ill, suffering from a certain complaint, and was incapable of work.

11,957. That is merely to say that you regard the doctor's certificate as very strong evidence that the person is incapable of work?—Yes.

11,958. You do not consider that the mere fact of the doctor giving a certificate imposes an obligation upon the society to pay?—No, because in a few cases we have refused to pay, even though the doctor certified the person to be incapable of work.

11,959. You say here that the Commission ought to give the society the right to recover from the doctor sickness benefit wrongly paid through the doctor's carelessness in signing certificates?—Yes, when the doctor certifies a man as incapable of work, and he goes straight to a public-house and sits there until 10 o'clock at night, and works a night shift in a foundry, I think that the doctor must have been

negligent not to have discovered that the man was quite capable of attending to work.

11,960. Have you considered that if that particular principle were adopted, it would give the member the right to sickness benefit on the doctor's certificate?—It would not make much difference in the financial result even if the doctor's certificate did give the right to benefit, because I think I know how religiously the ordinary person regards the doctor's certificate.

11,961. But are you reluctant to put forward as a remedy something that attaches an entirely new legal sanctity to the doctor's certificate?—I cannot see that it would make much difference financially.

11,962. Would it not alter the legal position?—It might to some extent.

11,963. It would not be to the interest of the society that the doctor's certificate should absolutely entitle to benefit?—Not altogether.

11,964. It would not be advisable from the point of view of the society, as a self-governing and self-responsible institution, that it should put in the hands of the doctor the entire right of saying whether a member should receive sickness benefit?—In fact the right is there.

11,965. Do you seriously say that the right of control of the society is practically less than that of the doctor?—I do not say the right to control the members of the society, but I do say that in effect the doctor has practically the right to say whether a person shall or shall not receive sickness benefit.

11,966. The doctor in his certificate says, "I have to-day examined you, and you are in my opinion suffering from . . . and you are thereby rendered incapable of work"?—Yes.

11,967. Do you think that these words "incapable of work" should be interpreted by the doctor in the ordinary sense?—I have often thought that if the doctor was compelled to write in these words he might regard it more seriously than at the present time.

11,968. You think that he regards them as common form, as a mere formality to some extent?—I think so, in many cases, but I do not say in all cases.

11,969. Do you think as a practical administrator that the doctor should, when filling in a certificate, in any case take on himself practically the right to interpret the words "incapable of work" as meaning that the patient would be all the better for a fortnight's rest?—Well, sometimes it would be much better if the doctor said that, if he thinks it.

11,970. You do not object to the doctor stating his views quite fully?—No, if the doctor stated them on one of our certificates, we should know that he was a sensible fellow, and I cannot conceive our ever refusing to pay where the doctor stated definitely that, in his opinion, the patient was suffering from some complaint, that he was not altogether incapable of work, but that he would be all the better for a fortnight's rest, and would be a better life afterwards.

11,971. Even if the words of the Act are against you?—We always are controlled by the Act.

11,972. You do not object to doctors certifying that a person is incapable of work, when what a doctor really means is that he would be all the better for the change and rest?—No, but we do object, when a certificate is given to a man who is suffering from loss of appetite, or a gumboil, or something of that sort, that the illness is given some name in the certificate which compels you to get a dictionary to find out what it means.

11,973. You speak of criticisms and being liable to an action. Liable to whom?—Criticism of the doctor, because of which we have been threatened with the Medical Council. I have been myself advised, very kindly and very nicely, to be very careful how I used certain information sent to me.

11,974. Do you mean to say that you have been advised in such terms as to amount to a threat?—No, because the man who advised me would never dream of offering a threat.

11,975. I do not understand. You refer not only to criticism but to a libel action?—Exactly, because if I wrote to a person outside the facts as I know

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them to exist in that particular case, an action for libel would immediately lie against me.

11,976. That is surely something beyond and outside the ordinary administration of the society, as to how far a libel would lie against you?—No.

11,977. Surely it is possible to administer sickness benefit, even in the face of a considerable amount of hostility to you from the medical profession, without liability to a libel action?—If I call attention to cases like this, I am bound to run serious risks.

11,978. But the question, when you get a medical certificate, is whether you shall pay the benefit or not?—Yes, and in most cases we should pay the benefit. If a doctor certifies that the man is incapable of work, we cannot put ourselves above the doctor, and say that the doctor is wrong, and that the man is capable of work.

11,979. You can get a second medical opinion?—Yes, we can get a second medical opinion, but why should we be driven to the cost and trouble and difficulty of getting a second medical opinion, when if the first medical opinion were properly stated, there would be no need for the second.

11,980. Yes, but if the first certificate was not in your opinion a proper one, why should officials hesitate to do something to get a second certificate?—The only thing they can do safely is to refuse to pay the benefit.

11,981. Rather than get a second medical opinion?—Yes, rather than get a second medical opinion. I do not believe it is right to ask us to get a second medical opinion when a man is seen in a public-house or something of that sort.

11,982. You think the system of medical referees is not advisable?—Oh no, I do not say that, but I say that the society should not run the risk of maintaining them.

11,983. By whom do you want the system of medical referees maintained?—By the State, quite apart from the society.

11,984. If there were such a system, you would be able to get a second opinion?—Yes, we should refer cases to the referee without asking the panel doctor to examine the patient a second time.

11,985. You said that there were not only criticisms but secessions. What does that mean?—It referred to a society going to a district, and saying that they can do better than another society. We know a case in which one society has gone into a district, and stated that if persons belonged to that society, they would receive sickness benefit during the time they were ill, and that they would receive compensation without expense. A lot of people might be induced to believe that.

11,986. Have you statements of that kind in writing?—Yes.

11,987. Have you sent them on to the Commission?—Yes, and asked them whether they could do anything to prevent statements of that kind being circulated. I think that it is unfair to the people themselves to mislead them.

11,988. Your theory is that if the society takes a strict line with regard to sickness benefit, you will lose a large number of members of your society?—It is quite obvious to anyone who knows anything of the case that that would be the result.

11,989. May I ask whether you are an actuary?—No.

11,990. Because you say that there have been grave miscalculations by the actuaries?—Yes, so far as we understand the actuaries' calculations. They estimated a certain amount of money which it would be necessary to pay for women's benefit, and experience has shown that it would be quite twice as much.

11,991. You told us a great deal this morning about the difficulty of getting your members to understand the Act, and the difficulty caused by the doctors giving certificates for all kinds of ailments, when you certainly did not think it necessary to give them. Those were your words?—Yes, and I think the chairman suggested that I should confine this statement roughly to men and not to women. I have not suggested that there was a serious miscalculation, as far as men are concerned.

11,992. You say that there have been grave miscalculations by the actuaries. That is a rather serious statement, is it not?—Yes, the actuaries did not calculate that the cost would be so much. In the case of women it is 175 per cent. above the estimate.

11,993. Really what you mean is that it was underestimated?—In my opinion there was a miscalculation. I am not blaming the actuaries at all. I think that they had to go on insufficient data. I have heard some of the statements made to the actuaries by people who represented the women's societies. I have heard it said that women were never sick, and if they were sick they would not claim.

11,994. You find in your experience that there is no more malingering than one has a right to expect?—Quite so.

11,995. You quite agree, I presume, that there is a duty cast upon every society to exercise its utmost endeavour to check malingering, to try and discover it, and to stop the benefits?—Yes, I realise that, and before the Act came into operation I sought to impress on those connected with me that there was a duty devolving upon them, that they should do their very best to prevent anything in the shape of malingering. The fact that we have not had much to complain of is a proof that they have done good work.

11,996. You are not suggesting that the actuaries should make provision for all possible cases of malingering?—It would be very difficult to do more than roughly calculate according to their knowledge of human nature, that there would be a certain amount of malingering. I suppose it was taken into consideration that there would be a certain amount of undiscoverable malingering.

11,997. You think that that should have been provided for in the actuaries' calculations?—I not only think it should be, I think it must have been. I naturally assume that they would know enough of men to expect that.

11,998. You just now mentioned a particular case where you drew the attention of the Commission to statements made as regards compensation benefits?—Yes, we wrote asking that something should be done to advise the societies.

11,999. How long ago?—A week.

12,000. Not long enough to have had a reply?—Oh, no.

12,001. (*Dr. Fulton.*) You referred to doctors differentiating between illnesses that inconvenience a patient, and illnesses which incapacitate him. Do you know any reason why a doctor should differentiate between an illness that inconveniences a person, and an illness that incapacitates him?—Because I think that he should decide whether a person is incapable or not.

12,002. Incapable of what?—Incapable of work.

12,003. Incapable of any kind of work?—Incapable of ordinary work.

12,004. You mean incapable of their usual employment?—Yes, of their usual employment.

12,005. Supposing in the case of a woman a doctor said that she was quite incapable of doing her ordinary work, that is work in the mills, but that she would be able to do housework, have your society drawn the attention of the medical profession, through the central organisation or through individuals, to the fact that there was such a distinction?—No, but whenever we can give assistance to any doctor, we would be thankful to do it.

12,006. May I suggest that what is in the mind of a doctor when he signs the certificate that a person is incapable of work is that it would not be advisable from the point of view of the health of the insured person to continue at work?—Yes, I should say that that would be the opinion of the doctor, when he has examined the patient and knows all about the case.

12,007. Is it not the normal condition of things that the doctor should examine the patient, and know something about him before he prescribed or signs a certificate?—He ought to.

12,008. Do you suggest that he does not do so as a rule?—I have particulars of it in some cases.

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12,009. You would not venture to apply that to the whole?—No, I do not want to be unfair. I used to have a very high opinion of the medical profession.

12,010. You were more closely in touch with them then than you are now?—I think not. I am more closely in touch with them now than I ever was before.

12,011. Is it not usual after a great trade union movement that there should be dissatisfaction for some time about their work?—It is always the case. At the end of a dispute everybody is dissatisfied.

12,012. You have had some personal experience of the administration of sickness benefit before you got your present position?—Yes.

12,013. May I ask what was the method of administration of medical benefit at that time in your society?—The method was a simple one: The patient went to the doctor and got a certificate from him that he was not capable of working. We never had the same troubles at all as we have at present. Of course, in particular trades there are particular diseases, occupational diseases. In some industries there would be more people suffering from bronchial diseases than in others, but we had no difficulty in cases where the doctor said it was bronchitis. We have never had any difficulty in getting a certificate.

12,014. What was the understanding you had then about the certificates? Did you understand that when the doctor certified that a man was incapable of work, it meant that he was incapable of following his usual employment by which he got his living?—That is so—that the man was incapable of following his employment, and had a claim to sickness benefit. But suppose the doctor says that John Smith is incapable of following his employment as blacksmith, we should not allow him to go to work as a gardener.

12,015. Would you suggest that when a man is suffering from sleeplessness and unable to work, that he should not work in the garden?—I do not suggest that a man suffering from sleeplessness would be unable to work.

12,016. You would not pay him while he is working in his garden?—No.

12,017. If a man is not able to follow the employment at which he gets his living, surely it would not be unfair to allow him assistance even if he could do some gardening?—If, according to the certificate, he is able to work, we do not pay benefit, or if, after the certificate states that he is incapable of work, we discover that he was doing work, we would not pay.

12,018. If he was not doing any work you would pay him?—Oh, yes.

12,019. You would not object to pay him his sickness benefit, if he stayed at home and did no work?—No, I should pay him.

12,020. Because he was incapable of work?—Yes. I know there are difficulties in the way. Some of the difficulties that have come before us have been so simple that any ordinary man could have dealt with them. You know better than I do how much can be done by suggestion. If a doctor suggests that a man is suffering from something with a strange name, when the man goes home he will think himself ill from that.

12,021. It is a question of terminology. You think that they are careless in the phrases they use?—Yes, I do.

12,022. You are aware that people suffer sometimes from typhoid fever?—Yes.

12,023. And that it is impossible for any medical man to say during the first 10 days whether it is typhoid fever the person is suffering from?—Yes.

12,024. The doctor would see that he had a high temperature?—I say that the better plan would be to certify the man as incapable of work, but to say that the doctor had not had enough opportunities for a correct diagnosis. As a matter of fact, I have drafted a medical certificate, of which I sent a copy to the Commissioners, in which it was laid down that a doctor might do this. I know it is sometimes impossible to find out immediately what a man is suffering from.

12,025. Surely the difficulties I suggest would still remain untouched. Difficulties of diagnosis are not quite simple?—I wish you could give that spirit of

diffidence to some of your professional brethren; nine-tenths of the ill-feeling that exists might then be removed.

12,026. You suggest that conferences should be held between representatives of the medical profession and the approved societies?—I think that they would be invaluable if they reduced the antagonism, and the number of claims.

12,027. Take the case of fever, where a girl was working in a factory. She was not incapable of work, but it was not advisable that she should remain at work?—He might advise us in such a way that we would know the position in a moment.

12,028. Do you think that medical men realise that in specific diseases the payment on the certificate depends on the nature of the diagnosis stated thereon?—I do not know whether the medical man knows in every case.

12,029. They are interested in the diagnosis and treatment of the patient far more than in what it would cost to the profession or to the society?—They may be.

12,030. You think that that is natural?—Quite so.

12,031. You consider that a man might not think it wise to go to a doctor unless he felt ill enough to get a certificate?—Yes. Our people do not go to the doctor for trifles.

12,032. Do you speak from your own personal experience?—No, I would not myself go to a doctor if I could pull through without it.

12,033. You have no personal knowledge of people getting a certificate when they do not want it?—I have no means of knowing how many go to a doctor, but I do know that the majority would never go to him unless for the specific purpose of receiving treatment, and obtaining a certificate.

12,034. You are not speaking from your experience of the society?—Yes, I have some experience of that.

12,035. Prior to the passing of the Act there was never any reluctance to state the nature of the complaint?—That was my personal experience. I never had the slightest trouble.

12,036. Are you aware that some universities insist on graduates taking an oath not to divulge the nature of the illness in certain cases?—No, I did not know that.

12,037. You understand that a man taking that pledge would keep it as far as he could?—Yes.

12,038. Are you aware that medical men in the courts of law have refused to state the nature of the illness in certain cases?—Yes, I am aware of that.

12,039. So that there has been a hesitation on the part of the profession to divulge the true nature of the illness at times?—That has been so, in isolated cases. I am only speaking of my own experience when I say that we never had such cases in our friendly society experience.

12,040. Do you not think that the medical practitioner, who is unscrupulous enough to certify that a person is unfit to work when he is fit to work, would also be unscrupulous enough to invent an illness which did not exist?—Yes, but if he invented an illness it would be much more easily brought home to him, than merely if he said that he had examined the patient, and that he was not fit for work.

12,041. You say that officials hesitate to go behind the medical certificate because of criticisms—criticisms from whom?—They do not go behind certificates because of criticisms from their own members.

12,042. Why should there be criticisms from the members?—There would be criticism if they believed that a doctor had certified a man as unfit for work when he was capable of work, and if they acted upon this belief.

12,043. I suppose that the same applies to the doctors, that they would not rush up against these troubles if they could avoid them?—I suppose that is so.

12,044. Why should they take the odium of this upon themselves?—I think that under the Insurance Act they undertake to do a certain thing, in return for which they expect to receive a certain payment. One thing is to certify if a man is capable or incapable of

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work, and, having undertaken to perform that duty, they should perform it.

12,045. Do you think the really great difficulty is not stating precisely whether a person is capable of work?—No. I think that the definition should state with certainty whether he was incapable. It is a serious matter.

12,046. Do you mean stating without any doubt whether the person was capable of following his employment or not?—Yes.

12,047. In how many cases all over the country has that happened?—I do not know, but it has happened.

12,048. The only other point I want to ask you is about what you suggest as to the diagnosis being in English or in some easily understandable language?—Yes. But it is not necessary if a man is suffering from heart disease to state it. You are justified in covering that up.

12,049. There may be many cases in common ordinary every-day illnesses, where you would be justified in applying common ordinary every-day terminology?—Yes.

12,050. Now do you know that the more scientific the language used in a certificate, the more probability is there of an accurate diagnosis?—No, I do not think that I agree.

12,051. Suppose that a person had some lung affection?—I would be satisfied with the statement that he was suffering from an affection of the lungs.

12,052. Do you realise that that phrase might cover four or five different ailments?—Yes.

12,053. Do you think that that would encourage a careless practitioner to put his ear to the patient's chest and say, "There is something wrong here"?—It might.

12,054. You know that lung affections comprise pneumonia, pleurisy, congestion, and tuberculosis?—Yes, these are terms everybody understands. We do not object to using terms like those.

12,055. Do you say these are English terms?—Everybody understands them. There is no difficulty in terms of that kind.

12,056. I think that you mentioned cases where a large number of people were on the funds, and you say that half of them were women who were worn out. What diagnosis do you say the doctor should make in cases like that, when he sees that the women are suffering from overwork and perhaps insufficient food?—If he stated overwork we should know what he meant.

12,057. What would you say if he certified that a woman like that was suffering from debility?—There is debility of various kinds, and you may suffer from debility, and not be incapable of work. If he stated that she was not qualified to work we should know what he meant.

12,058. Suppose you think a person is not incapacitated?—In that case we have a right to ask the doctor. We pay the doctor and have the right to ask him for definite information.

12,059. Do you always exercise that right?—Pretty frequently.

12,060. You do not exercise it as a right?—I do not say that we do, but we should go to him and say, "Look here, doctor, you signed this certificate, saying 'that the person was ill, and his fellow-workmen say 'he is not.'"

12,061. The organisation now follows that up without reference to the doctor?—Yes, because there is not the same relation between a doctor and the society that there used to be. There is not the same relationship between us.

12,061a. Do you think still that you would not get the information from the doctor, if you put it in a friendly way?—I cannot get it done.

12,062. (Miss Wilson.) You stated that in the case of a man it was possible to say whether he was capable or incapable of following his ordinary occupation, but that it was not possible in the case of women, and that women are in a different position. Are we to understand from you that there is a different standard of incapacity for women and men, and that in the case of women, you do not allow them to do housework

when they are on sick pay?—We do not allow them to do it when on sick pay. We have issued instructions that they should not do housework. It is only in that sense that we make a difference between men and women. There are many things about a house that a woman would be all the better for doing.

12,063. You stated that you were not surprised at the result of the actuarial calculations, and that you were less surprised after you had heard the statements made by some representatives of the women's societies in this country?—Yes.

12,064. Will you tell us what you were referring to?—I heard the statements made by a deputation which waited on the Chancellor of the Exchequer.

12,065. Representatives of what society?—I cannot remember all of them who were there, but Miss Llewellyn Davies was there. They made statements, and gave certain figures.

12,066. Is there a printed report of that interview?—I could not say. Of many of those interviews there were no reports at all.

12,067. You are speaking from memory, and cannot give us the statements to which you refer?—I am speaking from my recollection of the deputation that waited on the Chancellor of the Exchequer in the House of Commons, and I have very clearly in my mind a conversation that took place on the Terrace prior to the deputation going in.

12,068-9. Were these statements made to the Chancellor of the Exchequer?—They were made in the presence of the Chancellor of the Exchequer.

12,070. Are you aware that, even if we take from you that they were made, the actuaries did not base their estimates upon such statements?—Yes.

12,071. Even if the statements were made, that had no bearing on the subject?—I stated that I was not surprised that there should be miscalculations.

12,072. Do you come into personal contact with any of the women members of your association?—Yes, pretty frequently.

12,073. In all the branches?—Many of them.

12,074. So that you are basing the statements you make on your contact with members of those particular branches?—Yes. Any statements about the women during the past 15 months are based on the experience of those branches and similar ones. If I stated my general experience it would be much wider.

12,075. I am only taking your experience under the Insurance Act. That is based on those particular branches?—I do come into contact very frequently with other members.

12,076. (Dr. Smith Whitaker.) With reference to the doctors' certificates, you feel that you have a ground for complaint, and I think that you have one or two cases where you have reason to believe that the doctor gave a certificate without seeing the patient at all?—Yes.

12,077. Have you adopted the new form of certificate suggested by the Commissioners?—Yes, but slightly altered.

12,078. Have you had any cases of that sort since that certificate was issued?—There has been a letter since. It was dated the 1st September 1913.

12,079. Would that be a case in which the doctor certified in that form?—It was a case in which the doctor certified in a form very similar.

12,080-1. You say that you have evidence that the doctor had not in fact seen the patient? What steps did you take in that case?—We reported to the local committee, the medical committee, and the clerk of the Manchester Insurance Committee.

12,082. You had a reply from the Manchester Insurance Committee?—We had an acknowledgment of the letter.

12,083. Would you tell the Committee when you wrote to the Manchester Insurance Committee?—I am sorry, but it was the Salford Insurance Committee; the date was the 18th August 1913.

12,084. (Chairman.) That is the date on which you wrote to them?—Yes. I said that it was suggested that the doctor had signed a certificate without having seen the patient, and that I should be obliged if they found whether there was any truth in this suggestion.

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12,085. (*Dr. Smith Whitaker.*) I see it was not the case in which you wrote to the insurance committee stating that the doctor of such and such a committee had given a certificate that a person was incapable of work, and that the society had evidence that the doctor did not see the patient on that date. You have no case of that kind?—I do not know of any case in which those exact words were used.

12,086. Or substantially those words?—I asked the committee to investigate certain facts.

12,087. You regarded it as an important complaint to the insurance committee?—Yes, and I was more than careful in my letter. I did not want to injure the doctor, but I wanted the committee to take the matter up and make an inquiry. Later on we communicated particulars to the committee.

12,088. Can you tell us what the particulars were?—We sent on the forms signed by the doctor, with the dates. That was specific enough.

12,089. Do you know what action they took?—No.

12,090. What was the reply received?—We had first a note saying, "Adverting to your letter of the 21st, I find that you have omitted to send the enclosures stated therein." We do not agree that we had omitted to send the enclosures.

12,091. What were those enclosures?—They were the certificates the doctor had signed.

12,092. In consequence of the enclosures not being received, the committee would have some difficulty in pursuing the investigation?—I should have thought that when we gave the dates on which the doctor was alleged not to have seen the patient, the committee might have made some inquiry.

12,093. Have you any case where you gave the committees full facts in an instance of this sort?—Yes, I have another case. It was referred to the West Ham Insurance Committee, and the form there was signed by the doctor. The matter was raised by a member of the committee.

12,094-6. Then you did not lay the complaint before the committee?—No, the secretary of the branch, who is himself a member of the insurance committee, made the complaint personally at the meeting of the committee.

12,097. That is not to say that the society lodged the complaint with the committee?—I thought that when the complaint was lodged verbally it would be for the committee to make inquiries. It was sent up to the Commissioners, and the Commissioners refused to express an opinion upon it.

12,098. Are you familiar with the regulations?—To some extent, yes.

12,099. And do you know that there is a sub-committee consisting of three representatives of insured persons, three doctors, and a neutral chairman to deal with such cases?—Yes.

12,100. It was provided that complaints of all kinds affecting doctors should come before that committee?—Yes.

12,101. Do you regard that as a satisfactory means of investigating these complaints?—It ought to be; you would think it would, but cases may be sent to the Commissioners as well.

12,102. I think that that is a possible misunderstanding. At any rate, you have the machinery in that sub-committee?—Yes, we have the machinery.

12,103. Do you know whether the West Ham Insurance Committee did refer that case to the sub-committee?—No.

12,104. The Salford case seems to have disappeared in the difficulty of where the papers had gone to?—Yes, but it seems to me that the committee were not very anxious to inquire into it.

12,105. I cannot imagine anything more difficult than such an inquiry would be?—It is exactly what I did in a similar case at Dundee. I sent a letter to the Dundee Insurance Committee asking it to investigate a certain matter, and there the doctor apologised, and said the matter should not occur again. There one committee had taken the matter up.

12,106. I think that you will agree that this is a serious matter?—Very serious indeed.

12,107. And that if it is not checked, it must have a serious result on the administration of the Act?—Yes.

12,108. And also that it is a serious offence on the part of the doctor, and one that ought not to be lightly dealt with, and therefore that investigation should follow serious lines?—Yes.

12,109. In view of these considerations, is it not a matter that ought to be judicially investigated?—Yes, I agree.

12,110. If it is to be judicially investigated, there must be some definite machinery for investigating it?—Yes.

12,111. That is provided for by the sub-committee. We have at present this machinery, and I understand that you do not object to it?—No, I do not object to it.

12,112. My difficulty is how can these cases be dealt with unless you have something analogous to judicial procedure by which a formal complaint can be tested?—Yes.

12,113. These complaints to be formal must be cast on the lines I suggest?—Yes.

12,114. If there is to be judicial investigation, there must be some definite statement that can be tested by evidence?—Yes.

12,115. You agree that that must be made in some formal manner?—Yes.

12,116. I mean by formal, that it must be stated in a specific way that binds the person who makes it?—Yes.

12,117. The difficulty I felt about the West Ham case was that there you had a member of the West Ham Insurance Committee making a verbal statement which depended on the recollection of everybody who heard him?—Yes.

12,118. You agree that the person who is accused should have the complaint sent to him, and that he should be given a chance of meeting a definite statement?—Yes.

12,119. You see that this is a grave matter, and one that everybody should regard as serious?—Yes, but when a communication like this is made in good faith, then we might have an inquiry.

12,120. There is only one other point. You spoke of being threatened with the Medical Council. What did that mean?—It would not worry me very much, but it would worry the local secretaries.

12,121. Can you tell us who said it?—It was a doctor from Redhill.

12,122. What was he threatening to do?—He complained that one of our secretaries had interfered, and had refused to accept his certificate, and he said that he would report the matter to the Medical Council, and that proceedings might be taken against him.

12,123. It would seem a very foolish thing to say?—It seemed foolish to me, but it did not seem foolish to the man who was threatened.

12,124. Do you think that many doctors would make statements of that kind?—No, I do not think so.

12,125. There are members of all classes—not merely doctors—who make foolish statements?—Oh, yes.

12,126. Now, coming to the question of incapacity for work, is the difficulty that doctors have not understood the term in the sense in which it ought to be used? I mean that apart from those who are careless, there are doctors who are quite desirous to do the right thing, but who misunderstand the term in question?—It is quite possible that there are doctors who are anxious to do the right thing, but who do not understand what we understand by the term incapacity.

12,127. One thing is very desirable in the administration of the Act, namely, that we should come to a common understanding about it?—Yes.

12,128. I should like to know what would be your view of a case of a man not fit to stand up to his work, and for whom a doctor signed a certificate of incapacity?—I should be very much surprised if the doctor did not do so.

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[Continued.]

12,129. Then that is your interpretation of the Act?—I think we are justified in assuming that some burden does rest on the shoulders of the doctor.

12,130. Yes, that he should be clear in his statement?—He should be at least clear.

12,131. It should be made clear that incapable of work means a certainty, and that he should use the word in that sense?—Yes.

12,132. Suppose the doctor, instead of giving a certificate, wrote to you that John Jones could work, but that it would be prejudicial to his health to do so?—I think it would be unnecessary to write that. If he wrote that it would be injurious to the person to continue longer at work, we should pay. We do not understand incapable of work absolutely to mean that a man is nearly fit to be put in his coffin before the doctor can sign the certificate.

12,133. I take it from you that while you put a responsibility on the doctor, you do recognise that there is a responsibility on the society?—Yes, I admit that, and we have impressed on our people the necessity of watching these things carefully.

12,134. On what does your society rely in coming to a decision in these cases?—On the evidence supplied to us.

12,135. The doctor's certificate is evidence which is to help you to come to a decision?—That is so.

12,136. What I understand you want is that there should be more easy terms with regard to the definition of the disease, and as to the term "incapacity"?—Yes.

12,137. With regard to incapacity, if the doctor came to you for advice, and if as regards incapacity he wanted your instructions in the case of a man who could not stand up to his work and whose continuance at work would be injurious to his health, what action would you take?—We should accept the decision of the doctor in a case like that, where a man is incapable of doing his ordinary work without injury to his health.

12,138. Your society would pay not only a man who could not stand up to his work on account of physical weakness, but a man whose health would be injured by doing any ordinary work?—We paid a man for many weeks whose eyesight was affected. It was thought that if he went on, his sight would be further injured, and that he might become blind.

12,138a. His eyesight was so injured that he could not effectively do his work?—Yes.

12,139. I gathered from you that some of the troubles with the doctors are due to carelessness?—I think some are due to carelessness.

12,140. In some cases you think that they are due to haste?—Yes.

12,141. Possibly in some cases the doctor has too many patients on his list?—Yes, for instance we have a doctor who has over three thousand, and it is very difficult for him to give attention to each. I have such a case in my mind, and I could not conceive it possible for a doctor to give proper attention to all of them, while also attending to his ordinary work.

12,142. You think that a doctor ought not to have such a large number of patients?—It very much depends on localities and occupations. You would have to take all these things into consideration.

12,143. I am trying to get the average?—I think three thousand all told is a large number of people, to look after.

12,144. So that it would be possible to say that a doctor was overworked?—That is the case now.

12,145. When you have a large number of patients, you require a large number of doctors?—Yes.

12,146-7. When you have such a large number of doctors, does it not follow that you must get the average proportion of careless people and indifferent people among them, and so forth?—I do not think that it follows that you get a greater average than you possess at the present time.

12,148. If you take the number in every occupation you must get a number of careless people in it?—Yes, a large number of people in every occupation, but some are more careless than others.

12,149. You see the bearing that this matter has on the question of certificates, if you take it that you must expect that a certain number of doctors will not be reliable in their methods?—Yes.

12,150. That is what you expect from human nature, and you must reflect that doctors as a class are merely human, and that a certain number must be from the nature of things not reliable?—Yes.

12,151. Does that really not affect the question of your attitude with regard to doctor's certificates and the necessity of second opinion?—Yes, but I think that if there were a better process of selection there would be fewer careless people.

12,152-3. You do not object to a second medical opinion?—I do not object to a second medical opinion, I only object to paying for it. I think that some months ago we wrote to the Commissioners suggesting that medical referees should be appointed, and that they should be under the control of the State, and independent of everybody. I object to paying for a second opinion, as I do not think it is quite fair for the society to pay for troubles traceable to other people.

12,154. You spoke of a different system for the employment of doctors. Am I right in supposing that in your evidence-in-chief you contemplated also the possibility of some improvement on the existing system?—I said that we should improve the existing system because there is not much possibility of introducing a new system. Personally, I should have preferred the whole matter in the hands of the State, and that there should be a State medical service, but as I do not see any immediate prospects of that, I am ready to make the best of things already to my hand.

12,155. You think it practicable to improve the existing system?—I think it is possible.

12,156. One of the lines I gather is the possibility of closer approximation between the societies and the doctors?—I am certain that that will have to be done.

12,157. You think that that is quite practicable?—Speaking for myself, I do think it practicable. The first few meetings would be rather warm, but after that matters might amend.

12,158. Then you suggest some improvement in the method of control over doctors. I was not quite clear what that was?—I thought the proportion of laymen on the medical services sub-committee should be increased. It would give greater confidence.

12,159. You are not satisfied with the half-and-half arrangement?—No, I am not satisfied with it.

12,160. As I gather, that opinion does not rest on your personal experience of the work of the sub-committee?—No, I have no personal experience of it.

12,161-2. It is an opinion in the abstract?—It is an opinion which I have formed after hearing what people say in different parts of the country.

12,163. It is not based on the experience which anybody has of the actual working of the medical services sub-committee?—It is the experience of persons who are members of insurance committees.

12,164. Is it on their experience of the working of the sub-committee, or on their supposition of how the sub-committee works?—I assume that the opinion was based on some experience they had had in connection with the medical services sub-committee.

12,165. If there was dissatisfaction of that kind you would expect it to reach the Commissioners sooner or later?—Yes, sooner or later, but I should have expected it to reach me much sooner than the Commissioners.

12,166. You made another suggestion for the improvement of existing conditions besides conferences between the doctors and the societies, and some improvement in the composition of the sub-committee, namely, that as regards incapacity the Commissioners should themselves issue some pamphlet showing the ordinary duration of various illnesses?—Yes, so that when the period is exceeded, the local agents might look more closely into the cases and communicate with the doctor. It was suggested that we should issue that ourselves, but I have an objection to doing so.

12,167. Do you not think that if the Commissioners issue such a circular it might possibly have the effect stated of the insured persons seeking to get payment

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in respect of the maximum period of each illness?—We have always that danger, but I do not think it is so great as the other danger we are trying to avoid.

12.168. Do you think that your object might be attained by the society getting advice, and forming an opinion as to the probable duration of an illness?—The society would have to communicate with so many people and put its information in writing. I have been asked to do it, but I hesitate. I felt that if it was to be done it should be done by professional people who had no connection with the actual administrative work of the society.

12.169. (Chairman.) Down to the end of page 93 in your rule book is common to the society itself?—Yes.

12.170. These rules from page 94 to the end are rules of the affiliated societies?—Yes.

12.171. Have those rules been adopted, or not adopted, or approved, or what is the position with regard to them?—Those rules were originally incorporated with the rest of the rules, but they were abstracted on the registration, and put at the end of the book. It was perhaps not a wise thing to do.

12.172. But they have been approved, and are the rules of the approved society?—Yes.

12.173. They all form one whole governing the society; some of them apply to the affiliated societies?—Yes.

12.174. Now you are having a revise made for the purpose of registration?—Yes, and to bring ourselves into line with the amending Act.

12.175. That will be registered with the Registrar?—Yes.

12.176. And will be reapproved by the Commissioners?—Yes.

12.177. When that is completed will these branches come into existence as branches, or will they remain in existence in that half-way condition?—They will come into existence as branches. It will bring the more difficult parts of the work into the head office.

12.178. They will be registered branches?—That is the intention.

12.179. Then all the arrangements which the Act sets out with regard to deficiencies and surpluses will come into operation?—Yes.

12.180. Until then, they will not come into operation?—Until then they are not actually in operation.

12.181. They are not in operation now?—Strictly speaking they are not so, but I understand from the Commissioners that so long as these things are done within a reasonable time, they will recognise the existence of these rules, and an undertaking to that effect was given.

12.182. At the moment the system which you described to some member of the committee of sharing surpluses and deficiencies between the various branches is not in operation in fact?—It is, because we have the permission of the Commissioners to do this thing. I know that the time is expiring, but I am hoping to straighten it out to-morrow morning, as far as the Commissioners are concerned. The particular rules do not operate legally until the branches are registered. We have not been able to register these, because we did not know what the Amending Act would require.

12.183. When they do come into operation the system which you described is just the system under the Act? It is not anything special to your society?—No.

12.184. As I listened it seemed to me that what you were describing was the Act and not anything else?—That is exactly so.

12.185. All that will happen will be that the provisions of the Act with regard to surpluses and deficiencies will come into operation, but the present position of the society as regards meeting claims and dealing with members, and so on, will be the same as at present?—Yes. No change is contemplated.

12.186. It is merely that you have not gone through all the formalities?—Yes.

12.187. You are very familiar with the provisions of the Act?—I was more familiar with them two years ago than now.

12.188. I suppose you are familiar with section 23?—Yes.

12.189. Do you remember the subsection which points to the society being under the absolute governance of its members?—Yes.

12.190. That is a matter to which you and trade unionists generally attached a great deal of importance?—Yes.

12.191. You still attach importance to it?—They do.

12.192. What about yourself? Do you not think it is a healthy thing that the society should be under the control of its members?—It is, and if I hesitate, it is because I do not think that it is a healthy thing that members should have power to interfere with details which they do not understand.

12.193. What do you think would be the good of bringing into existence democratically organised institutions like those, and laying this heavy responsibility on them, if you immediately discharge it on to the doctor. From your evidence you seem to think that the doctor should decide?—I never suggested that the doctor should decide on all the ordinary questions of difficulty. There is any amount of difficulty that the doctor is not concerned with. What I said was that the doctor should do his share of the business, and do it thoroughly.

12.194. Are not you throwing on him the responsibility of deciding whether the member is to be paid?—Is the society itself to decide whether a man is incapable of work, irrespective of what the doctor says?

12.195. No, but it is for the society, and not for the doctor, to decide whether you are going to pay the man?—The society has to decide on the doctor's certificate, and if the doctor certifies him to be incapable, the society will have difficulty in evading payment. It may cost more to resist an unjustifiable claim than to pay it. The doctor should be careful about his certificate. I do not agree that you should take the responsibility off the doctor so far as the certificate is concerned.

12.196. You primarily are the guardians of the funds of your society?—Yes.

12.197. You have to make a decision upon your own responsibility upon every payment from the society's funds?—Yes.

12.198. The evidence on which you do that is primarily the doctor's certificate?—Yes.

12.199. But that is only the evidence upon which you pay; it is not a cheque drawn upon you?—We have assumed that it was a check upon the claims made by the individual.

12.200. I want to suggest that you reconsider that?—We should know clearly where we stand in this matter. If we are not to attach any importance to the doctor's certificate, we should know where we are.

12.201. You have asked in your evidence why you should pay for a second opinion. I suggest to you that the doctor is merely part of the organisation of an approved society, and that the approved society must keep its own organisation?—We cannot see that the doctor is part of the organisation of an approved society, because the society has no control over the doctor.

12.202. The situation previously was that the doctor was an official of the friendly society?—Yes, to a great extent.

12.203. Appointed by them?—Yes.

12.204. Dismissible by them?—Yes.

12.205. His pay was carried to him by the secretary once a month?—Quarterly.

12.206. Therefore in a very real sense he was under their control?—He was.

12.207. Under the Act any doctor can come on the list?—Yes.

12.208. Therefore there is no direct relation between the doctor and the society?—No.

12.209. Therefore there is a much looser tie?—Yes.

12.210. Is that any reason for the society delegating the whole of its functions in connection with its funds?—No, I never suggested that. I only suggested that

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there should be some sort of penalty where the doctor was foolishly negligent.

12,211. There is set up under the Act an insurance committee, three-fifths of whose members are insured persons, appointed by members of approved societies?—Yes.

12,212. Those persons are appointed in order that they may conjointly administer the medical benefit?—That is the theory of it.

12,213. Are they not the creatures of the approved societies?—They are elected, but by a peculiar sort of franchise. I am not complaining of the franchise, but there is not the direct representation that you seem to suggest.

12,214. Three-fifths of the committee are directly elected, or appointed by the approved societies?—They are not a united force. They are units from here, there, and everywhere. It is a long time before such a committee settles down.

12,215. I agree with that. The best thing to bring about cohesion is pressure. I should have thought pressure by public opinion extremely likely to result in the approved society members doing the work of the approved societies?—How are you to organise pressure where the influences come from all sorts of quarters? You cannot organise pressure as we can on a conference.

12,216. You have a means of getting into touch with other trade unions?—We do it as far as we can.

12,217. You do meet other trade unions on insurance business?—Yes. We do our best to secure reasonable representation.

The witness withdrew.

Mr. ROBERT SMITH (*Manager of the Insurance Section of the Co-operative Wholesale Society*) examined.

12,225. (*Chairman.*) Are you the manager of the Insurance section of the Co-operative Wholesale Society?—I am.

12,226. And that is, I think, an approved society for the purposes of the Insurance Act of 1911?—That is so.

12,227. Do you mind telling me just what it is composed of? What are the members? Are they customers and persons employed by the Co-operative Wholesale Society?—It is mostly composed of members of the various co-operative societies throughout the country, and employees of the Co-operative Wholesale Society itself, and the various co-operative societies throughout the country.

12,228. Are all these co-operative societies federated together for non-state insurance purposes?—Yes.

12,229. And is there anyone in the society who is not connected in that way with the co-operative wholesale movement?—Yes. We leave it to each local society either to accept, or to recommend for rejection, any applicant who may not be a member of their own particular society or a member of the family. We include all the families and persons dwelling in their houses.

12,230. Is it a centralised society?—Yes.

12,231. You are not divided into branches?—No.

12,232. You are divided into sections which have some form of local autonomy?—Very little. It is the centralised method of management with local assistance in the shape of local committees, who act as agents, and they have local secretaries appointed by the local committees simply for the purpose of administration.

12,233. And then the society is governed by a delegate meeting, is it not?—Yes.

12,234. Elected by the committee of management, I suppose?—No, by the insured persons.

12,235. The local committees take the first step with regard to claims for sickness benefit and the administration of sickness benefit generally?—That is so.

12,236. Subject to a kind of general control from the head office?—They have no power in the local committees to reject or accept a claim.

12,218. I suggest that you do that extremely effectually?—The first time we did. I am not so sure about the second.

12,219. I thought it the best piece of organisation I ever saw?—We did fairly well.

12,220. Having command of all these votes, cannot you make your trade union members into a committee representing your interests effectually?—They are in a minority.

12,221. Who are against them?—The great industrial societies are against them. They are in a minority in that sense. They have not yet understood that they are all representing one interest.

12,222. The doctor is in a very real sense responsible to the approved societies, if the approved societies want to exercise control?—Yes, but where you have five members belonging to one profession they are in a united position, and they can be more effective than the whole committee if they are properly organised.

12,223. You have painted the trade union official as a shrinking timid creature, whom the doctor turns out of his surgery, who was frightened with a long Latin name, who was afraid of his own members, afraid of the Commission, afraid of his own shadow—you know he is not so?—I have not put it quite so broadly as that, but I have tried to make quite plain that the average man will act upon a medical certificate.

12,224. Do you not think that on the whole they have got—or else they would not be in the position in which they are—rather more than the average dash of obstinacy which is common to the race?—They generally have some of it.

12,237. As far as you are concerned, besides this position which you now occupy, you have had for many years, have you not, a connexion with a friendly society strictly so called?—I have.

12,238. You have held high office in the Sons of Temperance Friendly Society, I believe?—That is so.

12,239. Turning to the society which you primarily represent, would you mind telling me how many members you have for the purposes of the National Insurance Act?—Roughly speaking, 180,000.

12,240. And of those, how many are men and how many women?—Roughly, 100,000 men, and 80,000 women. That is, of course, a rough idea.

12,241. Can you go a step further, and tell us of the 80,000 women how many are married, and how many single?—No, I cannot give you that. I can in relation to certain claims, which I shall refer to hereafter.

12,242. Generally speaking, what kind of type are the members of the society? Is there any distinguishing characteristic as distinct from the rest of the population?—The very fact of their connexion with co-operative institutions is an indication that they are of a thrifty and careful character, and, generally, their health record would be a better record than that of the general public.

12,243. Can you tell me whether there is any particular form of occupation which is particularly represented among the 180,000?—Largely clerks, productive workers, shop assistants, labourers; in the Lancashire district, weavers and charwomen.

12,244. Are many of them people who, besides being in this institution for the purpose of the National Insurance Act, are, in fact, members of some other friendly society or trade union?—I have no doubt a number of them are in other societies, but of that we have no knowledge.

12,245. So far as weavers and such-like people are concerned, I suppose it is nearly certain that they are, at any rate, in the trade union?—Yes, a great number of them, no doubt.

12,246. Probably for sickness benefit?—Yes. Some of them are in a trade union for sickness benefit on the voluntary side.

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12,247. Coming to the figures, can you tell us what your experience has actually been since the Act came into operation?—For the first six months the benefits paid have been 2·48 days per member for the whole membership for males, and 3·79 days for females. That is for the first six months only. The cost of that sickness experience has been 3s. 4·8d. per male member and 4s. 3·6d. per female member. That is, the female experience has been 26·47 per cent. over that of the males.

12,248. Can you take that a step further, and give us the rate per member per week in pence?—At the rate shown in the actuaries' report upon the introduction of the Bill as being 365l. for males, the amount that we ought to have paid would have been 17,345l. for males during that period, whereas the actual amount was 16,175l. Females paying 259l. per year, contribution available, would have been 8,591l. 13s., whereas it actually was 14,253l. 18s. 8d. for the six months, and that is only to provide seven-ninths of the benefits. If you take the figures in the actuaries' report upon the minimum basis, it would be 469l., which gives us for males 22,287l. 13s. as against 16,175l., and for females 11,431l. as against 14,254l.

12,249. On the general question, do you think that claims are being made and allowed in excess of what you consider proper?—Yes, in relation to males, only in isolated instances, but in relation to females the excessive claims are pretty general.

12,250. You mean by excessive claims, claims which ought not to be made, and, if made, ought not to be met?—Yes, there are claims which are made which ought not to be made, in addition to which the sickness experience of those that cannot be regarded as improper claims, is very much heavier.

12,251. But they are two quite distinct things are they not?—Quite, but there are a very great number of claims made by females which are absolutely illegitimate.

12,252. Are these claims being satisfactorily refused by the society?—Wherever we have knowledge or wherever we get evidence which warrants us in refusing a claim, of course we do so.

12,253. May I put it this way? Do you think that this 14,253l. which you have spent includes some money which would not have been spent, if you had known all the circumstances?—That is so.

12,254. You attribute part of that heavy figure to illegitimate demands, which you have been unable to detect?—Undoubtedly.

12,255. And you draw that inference from the fact that you have detected a large number?—That is so.

12,256. What reasons have you for thinking that?—Out of the total sum of 30,429l. expended in sickness benefit during the first six months 53 per cent., or 16,175l. was paid to males, and 47 per cent., or 14,254l. was paid to females. If the males and females had drawn proportionately on the funds, assuming the amount of weekly benefit had been the same, the amount paid out in sickness benefit would have been, males 18,257l. and females 12,172l. If the gross total sum paid in sickness benefit had been allocated, having in mind the actuarial calculations that of the 7d. weekly contribution for males 2·39 pence would be required for sickness benefit, and out of the women's 6d. per week the value of the sickness benefit would be represented by 1·74d. per week, the total sum paid to the women would have been 11,778l., whereas they have actually received 14,254l., a difference of 17·39 per cent. in excess of the average.

12,257. That might arise, might it not, say from insufficient provision having been made or something of that kind?—Part of it.

12,258. I understood you to be saying that it was not a question of insufficient provision having been made in the contribution, but that apart from that, claims in excess of what is proper were being made?—That is undoubtedly the case.

12,259. Will you tell us what is the reason that led you to that conclusion, apart from the fact that you do find them very heavy?—I shall be able to detail instances where we have had very strong suspicion, and where we have made investigation, and whilst we

could not obtain evidence, there is little doubt at all but that the claim was an illegitimate one, but we have had to pay simply because we could not legally refuse it.

12,260. Still, strong suspicion remains in your mind?—That is so.

12,261. Perhaps you will deal with the matters which you have submitted in your outline of evidence on this question?—You want some reasons for the belief that unjustifiable claims have been made. Medical certificates in the first instance are being issued in cases where illnesses have been caused by venereal disease and illnesses of that description.

12,262. I assume then that if you have a case in which someone made a sickness claim by reason of such a disease as that, you would disallow the claim on the ground that the illness was brought on by the member's own misconduct?—That is so, but unfortunately we do not get that as the cause of incapacity.

12,263. In the first place you do, when you detect such a case, disallow the claim?—Absolutely at once. We never in any case allow a claim to be paid where any venereal disease is the cause of the incapacity, if we know it.

12,264. How many cases have you disallowed?—I cannot give you the number, but I have here quite a number of instances that I can refer to, and the number that we get is, I should say, proportionately heavier than we expected.

12,265. That applies to both men and women?—More particularly to men, but in some instances to women.

12,266. What procedure do you go through when, on the face of the certificate, you are able to detect that this is the case, to find out that the illness is really due to the man's own misconduct?—We accept the certificate where on the face of it it indicates that that is the cause of incapacity, and we immediately inform the claimant that no benefit can be paid under our rule 11 (24).*

12,267. Supposing you find syphilis on the certificate, you would not refuse on that and that alone?—Yes.

12,268. But you are aware, are you not, that it is not at all an inevitable conclusion that because a person has syphilis he has therefore misconducted himself?—No. But under our rule we are debarred from paying under such conditions. It is not necessary to inquire as to how they have contracted it.

12,269. You say that in all cases, whether the case is misconduct or not, you do not pay?—That is so. We have here a case of a young unmarried girl who is certified as suffering from roseolous rash—a skin eruption. We paid for a great number of weeks, and then attention is drawn by the sick visitor to the fact that there is some suspicion about the case.

12,270. What put the sick visitor on inquiry?—When the sick visitor went to visit her she always found this young woman lying down on a couch covered up, and apparently desirous of hiding her appearance, and that caused the sick visitor to be suspicious that there was something not quite right. In that case we made inquiries at once, got into touch with the doctor, and asked him the question, and the doctor gave us the intimation that the eruption was in his opinion due to venereal disease.

12,271. Directly you asked him?—Yes.

12,272. Without any hesitation?—That is so.

12,273. Whereabouts in the country did that happen?—That is in Yorkshire.

12,274. Your complaint there is, is it not, that the doctor, having the knowledge in his own mind as to what caused this complaint, certifies a symptom rather than the disease itself, and that you were misled, as

* Rule 11 (24)—Sickness and disablement benefit shall not be paid in respect of any bodily injury received by any member through wilfully incurring danger, fighting, wrestling, using weapons (Territorials on duty excepted) except in self-defence, drunkenness, by immoral or disorderly conduct, the venereal disease or any species thereof, or any accident or complaint proceeding from any of the above causes for a period of 12 months.

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you suggest, into paying the benefit?—That is so. In the next case we have a certificate for catarrh and stomatitis. We paid for 20 weeks, and then a certificate came forward for syphilis.

12,275. From the same doctor?—Yes.

12,276. How did he come to give one certificate for 20 weeks and another in the 21st?—Frequently a doctor certifies one disease one week and another disease another week, and that has been the case in this instance. We wrote to the doctor and drew his attention to the fact that he had issued certificates under these conditions, and he told us that he was ignorant of the fact that such claims could not properly be made.

12,277. That was not an answer to your inquiry?—No, but he admitted that this was the fact and that he had known it all along.

12,278. The inference that you are asking us to draw is that there is a lot more that you do not find?—Yes.

12,279. Are you suggesting that there is really such an amount of this, that it affects the volume of your claims?—I suggest that it does affect it to an appreciable extent.

12,280. Was the second case a woman or a man?—It was a married woman.

12,281. Living with her husband?—I cannot say.

12,282. And the county?—Still Yorkshire. The third case is that of a married man certified as suffering from hernia and varicose veins and rupture caused by lifting. That was a case for inquiry as to whether it came under section 11 of the Act. Inquiries were instituted, and from the information we then had we called upon the man to claim compensation from his employer. The employer refused, and the employers' insurance company refused. We then took it up on behalf of the man, and wrote to the insurance company, and they willingly allowed us to have a sight of their papers, and reading between the lines of their medical report we came to the conclusion that there was some other reason than that of employment. We suggested that he should go to some other doctor and produce another certificate. He went to another doctor, who certified him as suffering from hernia, varicose veins, and varicocele. We then saw the man himself and told him what the position was, and that in either case, whether it was the result of his employment or the result of misconduct, we could not pay.

12,283. Why did you say that? I do not quite understand?—There are two debarring clauses in our rules, one relating to accidents under the Workmen's Compensation Act—

12,284. That did not apply, did it?—It did not apply, except for the man's own statement. He stated that he felt a pain whilst he was undertaking some employment for his master, and that therefore there was reason to believe that there was an accident.

12,285. You came to the conclusion that it was not true?—We came to the conclusion that it was a matter of doubt in the first instance, and we told him that he would have to claim from his employer. Then afterwards we came to the conclusion that if his statement was correct, it might be so, but there was reason to doubt it having regard to the doctor's certificate.

12,286-7. I cannot understand that?—Varicocele is a trouble which may be caused by misconduct. It frequently is.

12,288. But it frequently is not. You surely would not refuse ordinary varicocele?—We should want to have information, and in this instance we decided, from the information that we had, that it was either a case for compensation or a case of misconduct.

12,289. I cannot understand on what ground you came to that conclusion?—From a sight of the documents in the possession of the insurance company.

12,290. Was there something in the documents that you had not told us?—I cannot just remember it. We had a reason for coming to that conclusion, and we refused the claim. The man then made application to the inspector for the district. The inspector came to see us, and was convinced that from our point of view we had justification for our attitude.

12,291. What was the district?—Manchester. Then the man put it in the hands of a solicitor. The

solicitor came to see us. We showed him our papers and our evidence, and he came to the conclusion that whilst he could not do anything, he would like us to go a little further and try to convince ourselves more definitely that it was a case that we ought properly to refuse. We suggested that the only way in which that could be done would be to ask him to go to a medical referee. We sent him to a medical referee, and the medical referee's certificate was that the man was suffering from varicocele, which was the result of misconduct. The doctor said that there was no indication at all of hernia.

12,292. How old was this man?—Forty-three. I have here a number of cases and they are simply samples of other cases that we have in hand.

12,293. In how many cases have you in fact disqualified a man or woman by reason of misconduct?—I could not give you the number, but I should say it certainly runs into some hundreds.

12,294. Can you tell us at all how equally they lie between men and women?—No, I could not distinguish between the two.

12,295. I suppose your rules make some provision for an appeal from the decision of whoever it is who decides to someone else?—That is so.

12,296. To whom is that appeal?—To the general delegates meeting.

12,297. Cannot they get their case heard till the next general meeting?—No.

12,298. How often are they held?—We have only had one already, and we shall hold another in April. We had one on November 15th.

12,299. Is there no means by which they can get to arbitration except by the delegates meeting?—The delegates have appointed a sub-committee to hear these things, subject to their confirmation.

12,300. Might a man, if the decision is against him in June of one year, have to wait till April next year?—I am afraid he would have to wait until our next April meeting, unless they gave power to the appeals committee to decide the matter.

12,301. When it got to the delegates' meeting could he appeal still further?—To the Commission.

12,302. Direct? There is no arbitration?—No.

12,303. Can you tell me, having regard to what you have just now said, how many cases of appeals you have had respecting misconduct cases?—Not one. Speaking of suspicion, we have here a case of adenitis. We suspected that that might be the result of misconduct from information we had respecting the person's character.

12,304. Do you know what adenitis means?—I cannot say that I do.

12,305. Have you any guess at what it means?—No. We have medical dictionaries, and everyone who deals with these claims is satisfied as to the particular disease before they are passed for payment.

12,306. Would you mind reading out what the dictionary says about adenitis?—"Inflammation of the lymphatic glands, frequently the cause of abscess; may also be tuberculous or syphilitic." We had reason to suspect this person.

12,307. What gave you reason for suspecting him? Was it just the certificate or something else?—The certificate did not give us that suspicion. Our local agent gave us to understand that it was a case that ought to be inquired into before being paid.

12,308. Would you tell us what it was that your local agent said to you that made you think there was something in it?—He did not put it in writing, but simply happening to be in the district of Manchester, he called, and said that from his knowledge of the person he had reason to believe that he was suffering in that way.

12,309. He definitely told you what he was suffering from?—Yes. We wrote twice to the doctor, and put to him the specific question, whether the cause of the adenitis was syphilis. He did not answer. We, therefore, assumed that it was a case of misconduct, and we informed the member that we could not pay, and referred him to rule 11 (24), and he accepted the decision.

12,310. You mean that he did not make a fuss?—No. In another case a man was certified as suffering

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from inflamed irreducible hernia. We asked the doctor if this was caused by misconduct or injury.

12,311. Why is it to be assumed or suspected about hernia that it is connected with misconduct?—Because when hernia is certified injury or misconduct is frequently the cause. Syphilis or gonorrhoea is frequently the cause of the incapacity. We ask the doctor in such cases to indicate to us whether one or the other is the real cause of incapacity, or the real cause of the disease. Before the doctor would answer he wanted a fee of 2s. 6d. We, of course, refused to give that, as we consider it is the doctor's duty to give us such information as will enable us to pay. We, however, did refer the matter to a referee, and the medical referee certified that the member was suffering from orchitis.

12,312. What does that mean?—Inflammation of the testicles. The orchitis was certified by the medical referee as due to gonorrhoea. We refused benefit, and the member accepted the decision.

12,313. He did not do anything; he just lay down under it?—That is so. As soon as he felt we knew that the cause was, he realised that he had no claim. Another man in the south of England was certified as suffering from cystitis. Inquiry was made in this case, and we were informed by the doctor on inquiry that the member was suffering from stricture caused by gonorrhoea. Benefit was refused, and the decision was not protested against.

12,314. Was that a married man?—I cannot tell you. The information does not appear upon our documents.

12,315. How many cases of this kind have you got there?—The number I have under this heading is 10.

12,316. Are they all you have had?—Oh dear no. I have simply drawn a few from various districts, and just those which were the readiest to hand; they are not selected in any way whatever. Here is another of a man certified as suffering from orchitis.

12,317. Is that a case where you did not have knowledge from the certificate that there was something the matter?—Not necessarily.

12,318. It is not like a hernia certificate or a catarrh certificate?—We should view hernia in exactly the same way. Wherever the disease may, and probably would, be caused by misconduct, we should defer it for inquiry.

12,319. Is it not within your knowledge that an enormous number of diseases might be due to this cause; for instance, rheumatism?—I am not aware that rheumatism could be caused in this way.

12,320-1. You do not know, then, that rheumatism is, as a matter of fact, a very frequent sequel to gonorrhoea?—When we get a certificate, we verify the disease in every case out of the medical dictionary, and if we have reason to believe, from either the circumstance or from the information we have from our local agent, or the probability in regard to it, we should question it and defer it for inquiry. A number of these cases that we get are passed and paid because, although we cannot say that they are due to that, we have a good deal of suspicion that they are.

12,322. May I take it that if it is a disease which the medical dictionary suggests may have some fairly intimate connection with misconduct, you then query it, but rheumatism you would not query?—We should only question it where the probability was that it might be a case of venereal disease. The probability would very largely depend upon the information that we had from our local agent. You must remember that the local agent gets the claims in the first instance, and if there are any circumstances in connection with the person, or in connection with the claims, which they regard as needing further inquiry, they do not do it locally, but they simply send us an intimation and we make the necessary inquiry.

12,323. Are we to take it as a general rule that you do not question these certificates on the certificates alone, but that you have some outside source of information?—We should question it on the certificate alone in certain instances. It depends upon what the particular certificate says.

12,324. Take neuritis, would that suggest anything to your mind in this connection?—It would at once. In the first instance we passed cases of neuritis. We

found that we were doing wrong, and of course we stopped it, and every certificate of neuritis, unless it specifically stated the kind of neuritis it was, we should at once question, and ask for further evidence.

12,325. Were you actuated in that by the same idea that neuritis is very often connected with this kind of disease, or that it is very often used by doctors as a cloak for something else that they do not like to name?—I think sometimes it is used perhaps through ignorance.

12,326. Which of the two motives was moving in your mind, the scientific opinion that neuritis may very often come from this, or was it a sort of opinion that the doctors like another long word to cover up things they do not like to talk about?—We have had cases where we paid in good faith, and we found, on subsequent inquiry, that we ought not to have done so. Therefore in all cases of neuritis we want to know what kind of neuritis it is.

12,327. Do you mean where it is in the body?—Not necessarily, but there are various kinds of neuritis properly described by medical terms. It may be traumatic, due to an injury, and in that case we expect the doctor to certify it.

12,328. We can at once infer the cause in that case, but there may be others, where we can only guess at the cause, and give the thing a name after we have guessed at the cause. The doctor is in no better position to judge how a man gets this illness except on the man's own statement, than you are?—In some cases he is not, but in others, where it can be distinguished, he is. Of course we know that there are a number of cases which cannot be distinguished, but where they can be, we ask that the doctor should distinguish them on the certificate.

12,329. What about skin diseases? Do you query them automatically?—No, not necessarily, but we certainly query a great number.

12,330. Could you tell me those you do query?—Eczema.

12,331. Do you always query it?—Yes. I should say that we should.

12,332. What is in your mind when you do that?—First of all we should question whether eczema really incapacitates.

12,333. Leave the question of incapacity out. I am only on the question of venereal diseases. What is it that makes you think that it is worth your while questioning all eczema cases?—Because we have had a great number of cases where we have had very strong suspicion that it has been caused in this way. We have had some that we have had to refuse in consequence.

12,334. May I put the same question that I put a few moments ago? Is it because you think that eczema is often the result of this kind of thing, or is it that you find that doctors use that expression to cover up something that they do not like to write?—I have no reason to believe that the doctors do cover up anything by the term "eczema." I have no experience of that kind, though in some instances they do not amplify the certificate sufficiently.

12,335. Are there any complaints special to women which you attack in this way having regard to venereal diseases?—Yes, orchitis is one that we particularly watch. Ovarian troubles too.*

12,336. In the case of every ovarian complaint certified, do you say that it is an even chance whether it is venereal or not?—No, we should not do that. We should not say it in every case. We should be rather inclined to regard ovarian trouble as probably covering up pregnancy than venereal trouble.

12,337. I want to know which disease of women you would think had lurking behind it some venereal disease?—Ovarian cyst, fibroid tumour, orchitis. I cannot remember any others at the moment.*

12,338. You say to yourself in every case of fibroid tumour, "It is worth while finding out whether this arose from some venereal trouble"?—We should either ask that question, or whether it was a case of pregnancy.

12,339. Because of the physical condition?—That is so.

* See answer to question 13,574.

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12,340. Will you proceed with your cases?—Here is another case of orchitis in a different district. We wrote to the doctor, and the doctor informed us that the orchitis was the result of gonorrhoea. We refused benefit and the member accepted the decision. Here is a case where we have a certificate of a man suffering from gleet. That is, of course, due to venereal disease.

12,341. You could not have anything more direct than that?—No, we did not make any inquiry of any kind. We simply refused benefit straight away. This case is only given as an illustration of what we believe is a clear and direct certification. Here is another case in which a man is suffering from spinal sclerosis. On inquiry being made, we came to the conclusion, though we had no medical testimony to that effect, that it was a case that ought not to be paid, but we had already paid 12 weeks' benefit. This person had been suffering from the same condition for a couple of years, and he had made a false declaration when he made application for entry to the society. He was only working casually, and the 10s. per week benefit which he got was more than the amount which he would receive when he was at work. During the 12 weeks for which we paid benefit he was working in precisely the same way for about 10 of them.

12,342. Did you take any steps in that case?—Yes, we have taken steps and had him charged with this offence before the society, and expelled from the society.

12,343. Have you taken any steps in the police court?—No, as a matter of fact, there is no possibility of getting the money back. He was of such a character, that of course there was no possibility of his refunding any of the money.

12,344. But on your statement he has defrauded you?—That is so.

12,345. Is that the last of those cases?—That is the last that I think will be interesting to you at the moment.

12,346. Did you realise when rule 11 (24) was being framed, that you were taking power to refuse to pay, whether the disease was caused by the man's misconduct or not?—It is so exceedingly difficult to ascertain in many instances.

12,347. I know, but did you really think that you were taking power to refuse to pay when a man had suffered through some misfortune?—We felt that it was the wisest course to take power to deal with such cases, because of the difficulty of ascertaining in many instances, though in the great majority we felt that it must be the result of misconduct.

12,348. I follow that, but what about hereditary diseases?—If a person has a hereditary disease, such a person should declare it upon his application form.

12,349. It does not follow that he knows about it?—By the time a person is 16 years of age it certainly will have manifested itself, and it ought to be within his knowledge.

12,350. There are numerous ways in which venereal diseases can be contracted, without it being due to the misconduct of the person who contracts it?—It is possible, but from my experience of a great number of years in administration, I am bound to confess that I never came across more than one case where it was clearly shown that it was the result of contagion rather than misconduct.

12,351. I am not suggesting that it was wrong to make your rule, or wrong to exercise this judgment so far as morals are concerned, but have you considered section 8 of the Act when read together with section 14? In effect it suggests that the payment of sickness or disablement benefit may be suspended on the ground of misconduct, but it in no other way suggests that you can suspend or take away benefit, when a person has an illness which is in no way within his control?—Section 14 of the Act gives power for each society to make rules, and those rules are to indicate the conditions under which benefit may be claimed, and the conduct during the period for which it is paid.

12,352. Quite, the conduct during the period that benefit is paid, but this is not conduct during the period?—That is quite true.

12,353. You cannot make a rule forbidding a man to inherit a disease from his father?—No, the rule we have made clearly suggests that these cases are most frequently caused by misconduct, and are not hereditary diseases.

12,354. We should all agree with that, but your rule on the face of it gives much wider power than that. It is very wide in its application, is it not?—Yes, we certainly did take all the powers we could under the rule.

12,355. Will you go on to your next point?—I think that I have made it plain that, so far as our view is concerned, we have from the circumstance and from the nature of the disease, and from other evidence, sufficient reason for believing that a number of claims are paid where the real cause of incapacity is misconduct. We have, for instance, such diseases as prostatitis, ischio-rectal-abscess, and endometritis. These are sometimes regarded as being caused by misconduct in women, endometritis particularly. The point I want to make in respect of that is that the doctors should state on their certificates, when they have the information, whether these diseases are caused by misconduct or not. Then we come to the second point. In some cases we have persons actually at work at the time of declaring on the fund, and throughout benefit. The last case that I named is a case in point. In that case the member was certified to be suffering from gastric debility and chlorosis. Our sick visitor reported that this member had been working the whole of the time.

12,356. Where did this case occur?—In Yorkshire.

12,357. Have you any doubt that he was suffering from those complaints, or was the whole thing a fraud?—I am afraid that that is one of the cases where I should say that the doctor did not sufficiently distinguish between the diseases which incapacitate and the diseases which do not incapacitate.

12,358. The man did not find it incapacitate him, because he went to work?—That is so.

12,359. What was his work?—I am afraid I cannot tell you that, I have not his occupation here. That is a case where we paid nothing in relation to the first claim, but afterwards a second claim was received, and we paid for five days only.

12,361. Why did you stop?—The incapacity ceased at the end of five days.

12,362. I thought that you told us that the sick visitor told you that he was at work the whole of the time? You did not find that out until afterwards?—We found out when the sick visitor went to pay the money.

12,363. What did he do?—He withheld the money, and reported the matter to us.

12,364. How did he find out?—From inquiries either in the household or from the person herself.

12,365. Did you take any other step?—No, we simply withheld the money. That was the case of a domestic servant; I thought it was a man, but it was a woman. It was a domestic servant, and the sick visitor found out that she had been in the mistress's house the whole of the time, doing her work. There is the case of a man in Yorkshire, certified to be suffering from an abscess in the back. He appeared to be somewhat mentally deficient, but he was found wheeling a bucket of mortar.

12,366. What was his trade?—He was really a casual labourer.

12,367. What was he wheeling a bucket of mortar about?—He was taking it to his home. He was really working for his mother during the time. He was only doing odd jobs as a rule, and he continued to do odd jobs during the time that he was receiving sickness benefit.

12,368. And got paid for them?—Yes. 2l. 4s. was paid to him. Action was taken, and he was expelled from the society, but there was no possibility of recovering the amount.

12,369. What was he expelled for technically?—For withholding information on his application form.

12,370. Not for pushing his bucket about?—No.

12,371. What was the information which he withheld?—The fact that his then condition was the

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condition he had been in for years. He gave a clear declaration of health, and he had been in the same condition for many years.

12,372. What was the condition?—His mental deficiency.

12,373. In what respect was that a lie? You have a form, and I suppose, that he filled up these questions, "What ailments have you had?" He said, "None," I suppose?—That was so.

12,374. Did you think it an untrue statement to say "None"?—It was. The curious part of it was that the other persons in the same house joined another society, but this particular mental deficient joined our society.

12,375-6. You then go on, "Are you in good health, and, so far as you know, free from disease?" Do you not think that a person mentally deficient might think that he was in good health?—If he did, his witnesses would not. We have here another case of rheumatism where a person whilst on benefit was playing in a cricket match.

12,377. You stopped his benefit, I suppose?—We stopped the benefit.

12,378. Did you do anything besides stopping the benefit?—No, we just stopped the benefit, and he accepted the decision.

12,379. You say, as a matter of fact, that you have got a number of people whom you have caught working, when they were supposed to be ill?—That is so.

12,380. You do not know whether they were ill or not, but they were caught breaking the rule?—Yes.

12,381. In effect, committing a fraud?—Yes.

12,382. Some of them you expelled, and in respect of some you stopped the benefit?—Yes. I have a great number of cases. There is just one I would like to give you. We have a case where a woman was certified as suffering from pregnancy, and ultimately was certified as having been confined. She continued to receive benefit for "influenza after confinement" and "debility following confinement" until the tenth week after first drawing the benefit. It would be the seventh week after confinement. When the sick visitor went to see her, she found the member was shovelling a load of coals.

12,383. Where was this case?—In Pendleton. We immediately stopped the benefit, but took no further action. I think that those cases may be taken as typical of a number of others.

12,384. I think that you wanted to draw attention to something with regard to the claims of elderly men who, I suppose, are becoming a burden on their families?—Yes, we have had cases where persons past middle life have not had the same incentive to work as others with a family dependent upon them, and they have taken it as rather an easy time. I am afraid that they have gone from first one to the other of their children, and have been drawing benefit during the period.

12,385. What do you do to test them and check them?—They are exceedingly difficult to test or check.

12,386. What do you do? How do you get at them?—As a rule, we take into consideration the age of the person.

12,387. When the sickness claim comes forward?—Yes, when the sickness claim comes forward, and we ask our local sick visitor to carefully watch the case. It, of course, somewhat depends upon the nature of the illness from which the person is suffering. If it is a definite and specific disease, we do not question it at all; but in cases where we have reason to believe that it is something from which the person has suffered for years, or is of an indefinite character and will allow the person to go about and enjoy things, then we ask for special care to be taken, and for special observation to be made. A case in point is where a man immediately makes his claim and produces a certificate stating that a change of air is desirable.

12,388. How old is this man?—61.

12,389. What is his trade?—That I am afraid I cannot tell you.

12,390. Where is the case?—In Yorkshire.

12,391. At what time of the year?—It was in July when he produced his certificate for a change of air.

12,392. What did you do then?—He stated that he was going to his married daughter.

12,393. Did he tell you what was the matter with him?—Oh, yes, chronic rheumatism. The very fact that it was chronic rheumatism was suspicious. He told us that he was going to his married daughter's in Norfolk. He went there, and stayed for some time. He then came back again, and remained on the fund. We wrote to his doctor asking for information, and his doctor did not reply.

12,394. Which doctor, the Yorkshire doctor or the Norfolk doctor?—The doctor who certified him in the first instance, that is the Yorkshire doctor.

12,395. Did you visit him whilst he was in Norfolk?—No.

12,396. He was out of reach I suppose?—We could have got a local agent in Norfolk to have visited him, but we had given him permission to go away.

12,397. Did you give him permission for any specified length of time?—No, but we should regard a fortnight as a reasonable length of time, after which we should exercise some sort of discipline. He came back again, and still remained upon the fund. We continued to pay during the whole of that time, but we were not satisfied that total incapacity existed, though we could not prove that it did not.

12,398. Did you think of sending him to a medical referee?—It was only when the case had gone on a long while that we threatened to do that, and shortly afterwards, whilst the matter was pending, he declared off the fund, and he has not come on again.

12,399. You have a good deal to say about women? Are you finding that claims are being made upon you in cases where the only thing certified is pregnancy?—We are.

12,400. What are you doing in those cases. Are you, or are you not, paying?—We are refusing.

12,401. Refusing right up to the birth of the child?—Not necessarily, but on a certificate for pregnancy we are refusing completely.

12,402. What are you doing with regard to certificates for advanced pregnancy?—We should do the same. We have had certificates for advanced pregnancy some months before childbirth.

12,403. Shall I take it that you never pay on certificates for pregnancy unless there is something else on it too?—That is so.

12,404. Supposing that there is something else on the certificate too, what do you do then?—We should have to be very thoroughly satisfied that there really was something else in it.

12,405. You regard these claims as suspicious in themselves?—That is so.

12,406. Supposing there is something else than pregnancy and your sick visitor reports pregnancy, what then?—We should then institute inquiries.

12,407. Do you regard pregnancy in the case of single women as disablement caused by their own misconduct?—No, we should pay provided that it was incapacity, but not necessarily for pregnancy alone.

12,408. I know; but, supposing the disease which caused the disablement in the case was due to pregnancy, you would pay whether it was a single or a married woman?—We should make no difference.

12,409. And you would keep on paying practically till childbirth?—It is the common practice in Lancashire for women to be told to stop away the last month. We have quite a number of cases where the employers refuse to let women who are pregnant remain in the works.

12,410. But you do not regard them as having any claim upon your fund because of that?—That is so. We have some particularly interesting cases in connection with that. We have a case here of a young unmarried woman suffering from the vomiting of pregnancy.

12,411. Would you pay on such a certificate as that?—No, we should refuse straight away. This woman had the support of the doctor in the matter. He thought that she ought to receive benefit.

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12,412. Why did he think so?—I cannot tell you what was in his mind. He simply thought that she ought to receive benefit. We find that many doctors do not sufficiently distinguish between illnesses which incapacitate, and illnesses which do not incapacitate. The doctors appear to think that if the member has to remain away from work it is sufficient to cause them to give a certificate. This person wrote to the Commission, and the Commission sent the letter on to us. She desired to appeal to our general delegates' meeting, and she did. She was not content to put her case in writing before the general delegates' meeting. She preferred to appear in person, and she did.

12,413. How many people attended the general delegates' meeting?—In this case it was before a sub-committee.

12,414. How many were there on the committee?—Five.

12,415. Were they all men?—Yes.

12,416. What happened when she appeared before them?—She had no evidence at all, except that she had to remain away from work. There was no evidence at all of incapacity.

12,417. How old was she?—Twenty-one.

12,418. What was her trade?—She was a mill-worker. She had every appearance of being a fine, healthy young woman.

12,419. Did she appear before the committee before the birth of the child?—Oh, yes, the birth of the child has not yet taken place.

12,420. Is she going to work?—I do not know. She is doing household work.

12,421. Supposing that she had produced before that committee some evidence that she was incapable of work. I suppose you would have paid?—If we had been fully satisfied that she was incapable of work, and there had been some specific disease we should have paid her.

12,422. Or bodily disablement?—I do not know of a bodily disablement that can really incapacitate unless there is a disease.

12,423. I do not want to argue it at all, but do you really mean that?—I have been unable to find any case of bodily disablement where there is no specific disease. Of course, old age is a disablement and there is no disease, but I should say that that is not a case for a sickness claim.

12,424. Put it like this; I only just want your opinion upon it. This woman was a weaver, was she?—Yes.

12,425. Of course, you are very well acquainted with Lancashire conditions?—I am afraid I am not.

12,426. Have you ever been in a mill?—Yes.

12,427. You saw the women looking after the looms?—Yes.

12,428. You could see that women in the last month before a child was born would be in a physical condition in which they could not, without risk to their health, do what they generally do at the loom?—Personally, I think that within the last fortnight before confinement that might be a reasonable view.

12,429. I only want you to tell me whether you do not think that within the last fortnight, or week, or day—I do not mind what period it is—before childbirth they would be in such a physical state that they could not do the things that women, standing at looms, have got to do. Would not that be so?—I should not regard that as incapacity within the meaning of the Act.

12,430. Leave the Act out of account altogether for the moment. Supposing you went through a mill and saw women in the last stages of pregnancy standing at the looms, surely you would say to yourself in popular language, "These women are incapable of this work?" Would you, if you came to that conclusion, think that it was incapacity?—I am afraid that my experience of the physical condition under such circumstances is of such a character that I cannot say, but my own superficial view is that it is better for the person to have light gentle exercise, not violent exercise, right up to the birth of the child.

12,431. Supposing that the work of the woman was the beating of a red hot chain with a hammer pretty heavily, that would not come within your

description of the sort of work that these women should perform?—Not at all.

12,432. Would you not say that in those circumstances she was incapacitated?—I should.

12,433. And that that which incapacitated her would not be a disease?—No, it would not.

12,434. You would have there something incapacitating her which was not a disease?—Yes, a natural condition.

12,435. Quite, but still something which incapacitated her?—Yes.

12,436. Something which incapacitated, and something which could be fairly described as a disablement?—I should not so regard it.

12,437. Then what does disablement mean?—A continuation of sickness.

12,438. Yes, that is the 5s. disablement benefit under the Act paid to persons who have been ill, but never mind the Act. When you say, "I am disabled," what do you mean by it? You mean, "I have been prevented from being in a condition to do something, or from being able to do something. I am unable. I have ceased to be able"?—A person of course may be capable of doing certain duties, and quite incapable of undertaking others.

12,439. I was rather struck with your statement that you could not conceive of any bodily disablement that would really incapacitate, unless there was some disease?—Total disablement, of course.

12,440. This woman was vomiting. That is an ordinary condition before childbirth, is it not?—That is so.

12,441. I suppose that, if it is serious vomiting, it may be such as to absolutely prostrate a woman, may it not?—I suppose that that is possible.

12,442. Is it not common knowledge that women during that time may be so taken with that particular affliction that they may be unable to stand?—That may be so for a short while, but I do not regard it as possible that it would be for a sufficient length of time to warrant sickness benefit being paid.

12,443. I only wanted to find out the view you take. Supposing this girl to whom you have referred was vomiting to such an extent as I have suggested, would you not then think that it was perhaps total disablement?—Yes, for a short while.

12,444. We know, do we not, that this particular complaint that women have before childbirth comes on more vigorously at certain times of the period?—That is so.

12,445. Is it not conceivable that you might have women wholly incapacitated by vomiting, or some such thing at particular periods before childbirth, although it did not extend over the whole period?—That is possible.

12,446. You would not pay at those periods, even if it were proved to you as a fact?—There our difficulty comes in. We should not regard it as a specific disease.

12,447. I know, but I thought that you agreed with me that while your statement about specific diseases was literally true in the broad sense, there was something else besides which might wholly disable a person from doing not only the work by which she earned her livelihood, but any work; I suggest that excessive vomiting during the period of gestation is possibly—I do not mean to say necessarily in every case—such a thing?—I should say that it is possible, but we should have to have the clearest possible proof.

12,448. But you think that it is possible?—Yes, I think that it is possible. We should in the case of pregnancy absolutely refuse, and leave the person concerned to prove if there were total incapacity.

12,449. Supposing they did prove it, and tendered evidence which any reasonable person would regard as sufficient, then you would pay?—I think that it is possible that we might come to a conclusion of that kind.

12,450. Have you ever done so?—No.

12,451. Now we come to the next point. You suggest, generally speaking, that there is a tendency

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[Continued.]

on the part of women to, we will not use the word malingering, but to take an excessive advantage of your fund?—Yes, they regard such cases as being the ordinary and normal condition under which benefit should be payable.

12,452. And you mean that they are tempted to do that, to a great extent, because their facilities for doing something or other, when not at work, are very much greater than those of men?—Their view of insurance is altogether different.

12,453. Do you say that because of their lack of understanding of the principles of insurance, or because of the natural wickedness of the feminine heart?—I do not think that, generally, women do understand the principle of insurance.

12,454. Do you mean that they are less capable of understanding it than men are?—No, I do not think that; but I do not think that they have had the same experience and the same opportunities of understanding it as men.

The witness withdrew.

SEVENTEENTH DAY.

Wednesday, 10th December 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT:

SIR CLAUD SCHUSTER (*Chairman*).

MR. WALTER DAVIES.
DR. ADAM FULTON.
MISS M. H. FRANCES IVENS.
MISS MARY MACARTHUR.
MR. WILLIAM MOSSES.
DR. LAURISTON SHAW.

MR. A. C. THOMPSON.
MR. A. H. WARREN.
MR. A. W. WATSON.
DR. J. SMITH WHITAKER.
MISS MONA WILSON.
MR. WALTER P. WRIGHT.

MR. ALEXANDER GRAY (*Secretary*).

MR. ROBERT SMITH further examined.

12,458. (*Chairman*). You were telling us (at the close of the meeting of the Committee last week) about pregnancy claims made by women?—Yes, when there is no incapacity at all. I have a number of cases, but I think that I have given you sufficient to indicate exactly what the position is.

12,459. Do you say that there are many women who stop away from work without being incapacitated?—Yes.

12,460. And that they stop away sometimes because their employer will not let them come to work?—Yes.

12,461. And that when they have stopped away, in spite of the fact that they were receiving sickness benefit, and were supposed to be incapable of work, they were in fact performing household duties?—Yes.

12,462. What have you to say about after-confinement cases?—There is a tendency to continue on the funds longer than is reasonable.

12,463. Have you any figures or facts to give about that?—There is the fact that there is great difficulty experienced in getting them off the fund after confinement. First of all they will ask for one week and then a second, and then a greater number of weeks before they come back after confinement. We naturally expect a person, who has been confined, to remain on the fund for about four weeks, but beyond that there are persons claiming for three, four, five, six, and as many as ten weeks.

12,464. Do you pay for the first month without requiring a doctor's certificate?—We always require a doctor's certificate, or a midwife's certificate. We take the midwife's certificate for four weeks after con-

12,455. You put down the man's greater comparative power of understanding it to his long experience?—That is so.

12,456. Do you not think that you may have been influenced by your own long experience of a particularly thrifty class of men in your own society, and that you are attributing their virtues to the whole of the male population?—I do not think so. I think that the general education that has been going on among persons, who have been associated with voluntary societies for many years, has been of such a character that a man would feel it to be a dishonourable thing to be caught malingering.

12,457. You do not think that a woman would so feel it?—A woman, on the other hand, would clearly feel, and does feel, that if she does not get out more than she has paid in, she is losing something. I think that it is the result of a misunderstanding of the principle of insurance, and a want of that education which a man has had for many years. It is her natural desire to do the best she can for herself.

finement, but not beyond that. If they apply for sickness benefit beyond the four weeks, we require a doctor's certificate.

12,465. During the first four weeks the midwife's certificate is sent week after week?—Yes.

12,466. Do you require that?—Yes, our rules require that.

12,467. The midwife does not attend as a rule after the first fortnight?—I have no information on that point; we have no difficulty in getting midwives' certificates.

12,468. Have you any complaint that women have had to pay out of their own pockets for doctors' or midwives' certificates during the first four weeks?—No, we do not require it as regards confinement cases. We do not require a medical certificate as distinct from a midwife's certificate.

12,469. Have they had to pay the midwife?—Not to my knowledge, I have had no complaints.

12,470. Have you any figures as to these claims?—I cannot give the actual figures, but the number of claims has been very great. Here is a case in which the doctor certified that the insured person was suffering from anaemia and debility. She was quite able to go about her household duties, attending to her children and husband, and we actually paid 8l. 3s. in connection with that claim.

12,471. Was that a confinement case?—Yes.

12,472. Did you take any steps to test the certificates in any way?—Our sick visitor did not consider that the person was totally incapacitated, and we proved that she was doing household duties.

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12,473. What did you do?—We stopped the benefit, but not until we had paid 8*l.* 5*s.*

12,474. How many weeks does that represent?—Something like 24 weeks.

12,475. That is just a sample?—That is so.

12,476. I think you want to make some general observations about women's attitude towards sickness benefit claims? Some of these matters you have already dealt with. Were you going to give us a comparison of male and female experience in factory districts?—Yes; I was going to indicate that in some of the women's claims we get all kinds of certifications; we get abortion, uterine trouble, vulvitis, metritis, perimetritis, periostitis, ulcers, leucoma, and such like.

12,477. All in the same case?—No, but all of very much the same character, so far as we can know.

12,478. What is the point of that?—These are cases in connection with pregnancy where there may be misconduct involved, or there is a possibility of misconduct being involved, and improper claims being made in consequence.

12,479. Is this apart from what you were saying about misconduct last week?—Yes, it is in relation to general malingering among women, and remaining on the funds beyond the period of total incapacity, and some of them are in relation to doubtful diseases.

12,480. The complaints which you have mentioned are serious things, and if a woman was suffering from these things and incapacitated from work, she would be entitled to sickness benefit?—Yes, under certain conditions. But take abortion. That may be procured.

12,481. You have never got abortion on a certificate, suggesting that a criminal operation has been performed?—We have had to make enquiries on that point, and we have very grave reason to believe it, but it is very difficult to get actual proof.

12,482. Before such a claim comes forward, it is necessary that a woman should have gone to a doctor and the doctor certified incapacity for work; is that so?—Yes.

12,483. Is your suggestion that in his certificate, for example, he should state that he has performed an illegal operation on her?—No. There is a possibility of drugs having been taken, or improper measures taken by some other person, not a doctor.

12,484. Suppose he thinks that there is something which points to an operation, surely he does not give a certificate in a case like that?—That is so.

12,485. Have you known any such cases?—Yes.

12,486. Suppose it was due to drugs?—Then, of course, there is a clear case of misconduct.

12,487. How do you know that it is due to drugs?—There is very great difficulty in finding out if that is the case, but there are cases where there is very grave reason to believe that it is so, and where the doctor himself has very grave reason to suspect, and tells us so.

12,488. That is another matter; do you mean to say that, besides this statement on the certificate, something is sent to you, or comes to your knowledge, which makes you think that there is something wrong?—We have had occasion to question the doctor upon it; we have written to the doctor, and asked for the information, and he has given us grave reason to believe that, in his opinion, something of the sort has been done.

12,489. Do you mean that you have cases in which you think that for other reasons, and not merely because of what appears on the certificate, something wrong has been done?—We have had reason to believe it in some way or other.

12,490. I want to know whether the reason arises from what is written on the certificate, or from some extra source of information?—When a person is certified as suffering from abortion, of course it naturally raises a doubt in our mind.

12,491. Why should it? I cannot understand what is in your mind?—The term abortion would, I scarcely think, be used generally, unless there was something more than an ordinary miscarriage. That is our view generally, and the cases that we have investigated lead us to believe that this is so.

12,492. I only want to understand what is happening. When a married woman in these circumstances makes her claim, she gets a certificate, and this certificate is what she hands you in support of her claim?—Yes.

12,493. On that, and on such investigations as you set on foot, do you come to the conclusion that she has misconducted herself?—That there has been an attempt to procure abortion.

12,494. That there has been a successful attempt?—Yes.

12,495. That is the most serious accusation that can be made against a woman; if she has actually done that, she is guilty of an offence punishable criminally?—Yes.

12,496. And no court would find her guilty of that except upon very clear evidence?—Yes, and we cannot get clear evidence of the kind.

12,497. That being the case, do you refuse the benefit?—No, we pay the benefit; but my point is that, in my opinion, we are paying in certain conditions, when we do not think that we ought to pay.

12,498. These other cases are more complicated, because they are more technical in character, but the suggestion in your mind is that there has been something wrong?—I do not say that in relation to the whole of them, but the point I wish to make is that it would be a very great help indeed to the society, if we could have on the certificate itself some further indication as to the cause of illness, if, for instance, it could be indicated that it was not due to misconduct.

12,499. You would like the doctor in certifying these various illnesses to certify that they were not due to the misconduct of the persons in regard to whom they were certified?—We think that that would be a very desirable thing.

12,500. You say that practically of all the complaints which, speaking loosely, are called women's complaints?—No.

12,501. What is the matter with some of those complaints?—They may be the result generally of misconduct, gonorrhoeal infection or something like that.

12,502. All of them?—I think so.

12,503. Do you say that of leucoma? Is there any likely connection between the two?—I do not know just at the moment what the definition of leucoma is. Generally speaking, these may be due to misconduct, and we feel that the obligation is there upon us to ascertain whether in fact they are not.

12,504. It is hardly for me to lay down a less high standard of duty than you have laid down for yourself, but do you not think that you are attempting a rather impossible task? What you are saying is that everything that could possibly be misconduct, is a reason for the society refusing benefit?—No, we do not say that, because we pay; but even after the authorisation of payment, we ask the sick visitor to keep a special eye on the patient, and my point is that it would help us if the doctors would indicate on the certificate itself whether the illness is due to misconduct, and it would remove from our minds the doubts that we have.

12,505. Do you not think that it would put the doctor in a very difficult position to ask him to do that?—Of course in many cases I daresay he cannot.

12,506. In the vast majority of cases surely, he cannot know without a long and intricate examination of the whole of the patient's past history, and perhaps not even then?—We only ask, of course, that it should be done in cases where the doctor is able conscientiously to do it.

12,507. You said that you would give us the male and female experience in factory districts?—Yes; the following will show you exactly what I mean. In the factory districts of Lancashire we have a comparison between the male and female experience. In Accrington, the male experience is 2·3 days in the first six months, and the female 5·2 days; in Burnley the corresponding figures are 3·5 male, and 7·2 female; in Bury 2·5 male, and 5·9 female; in Oldham 2·3 male, and 4 female; in Preston, 2·7 male, and 6·1 female; in Yorkshire we have Dewsbury, male 3·1, female 4; Halifax, male 1·8, female 5; Keighley, male 3·4,

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female 4·8; Morley, male 2·5, female 5·3; Sheffield, male 2·2 and female 5. I think that these figures will indicate that the sickness experience among the women in particular factory districts is very much higher than that of males similarly situated.

12,508. Would you say that that is due to natural, or to what I may call unnatural causes?—My impression at present is that the person wishes to stay away for a few days, a week or so; the person does so in consequence of getting run down as a result of the factory life. Women who are employed in that way are much more liable to come upon the funds than men are.

12,509. What about the excessive claims of charwomen?—Some of the charwomen are working a half day or one day a week, and consequently their full remuneration will probably be 2s. 6d. or 3s. a day or per week in that case. They are insured, and there is a very great temptation, as they are insurable at the full rate, to come more frequently upon the funds, and also to remain longer upon the funds than otherwise would be the case.

12,510. Have you got any figures taken out as to the charwomen's claims?—Yes. In relation to charwomen the number of weeks and days, taken indiscriminately from 100 charwomen (for which benefit was paid), was 99·8 during the first six months, and the cost was 37l. 2s. 6d., whereas if we compare that with the machinists, we find that they received 48·5 weeks benefit, the cost of which was 16l. 12s. 6d.; so that charwomen, as compared with machinists, undoubtedly have a very much higher experience.

12,511. Have you taken the ages of the people to whom those figures relate?—No.

12,512. Do you realise that some of them are very small bodies?—Yes; that is a very important point, but I have not taken out the ages. With reference to domestic servants, we find that they are inclined to come upon the fund, when they are out of a situation, and that as soon as they get a situation in a great many cases they declare off the fund. The opposite, of course, might be true, that as soon as they are able to work they go back to a situation, but having regard to the fact that the sick experience is 131 weeks 5 days for the first six months, and the total payment 41l. 19s. 5d. during that period, their sickness experience is even in excess of that for charwomen.

12,513. Have you any figures as to the male and female experience dividing the ages into those above and below 21?—We have 14,390 males between 16 and 21 years of age, and 17,479 females between those ages. The sickness experiences in the two sexes are very different. In the males between 16 and 21 years of age it is 1·28 days for the first six months and the cost is 884l., whereas the female experience between 16 and 21 years of age is 2·24 days and the cost is 1,609l.; there you have a slightly larger number of females and about twice the amount of benefit. Then we have the sickness experience for males and females over 21 and under 70; for the males it is 2·69 days and the cost is 15,291l., for the females it is 4·34 days and the cost is 12,645l.; so that the females between 16 and 21 years of age do claim much more than females on the average claim.

12,514. To what do you attribute the fact, or what inference do you draw from it?—There are two causes in my opinion; the first is the anæmic condition of females during that period.

12,515. That is a justifiable cause?—Yes; and the other is that the very low wages have a tendency to assist in that direction.

12,516. Do you mean that it makes them malingering, or makes them ill?—It makes them malingering.

12,517. Do you say that the causes are mixed—proper causes and improper causes?—Yes.

12,518. You refer to an unreasonable period of incapacity for women's ailments. Have you told us all you have to say about that?—There are such cases as menopause, metrorrhagia, menorrhagia, and similar certifications of that kind. There would probably be a little incapacity for a day or two, but people are claiming in some instances for weeks for such complaints.

12,519. What do you do in those cases?—We generally authorise for a short period, and watch the case to see whether it continues.

12,520. I understand you to say that these are things which should last for a day or two, but the doctor's certificate states that the woman is incapacitated, and I suppose that he goes on giving her continuing certificates?—Yes.

12,521. What do you do then?—Sometimes we take it up with the doctor; sometimes we can get some satisfactory evidence from him, but in many cases we cannot, and we have to use our own judgment. Our sick visitors have to use their own judgment, and report to us any case where they do not consider that the person is really incapacitated.

12,522. Do you wish to supplement what you have said about the length of incapacity in women's cases?—I may point out the difference in the cases of persons who are regularly employed, persons who are working in factories, and persons in irregular employment. We have in Leeds 3·7 days sick experience in the first six months for males and 5 for women; Longsight, 1·8 for males and 3·9 for females; Leicester, 0·1 days for men and 4 for women; Broughton, 0·1 for men and 1·4 for women. These are cases where persons are earning fairly good wages and some, when they are working on piece-work, do not want to earn more than a certain specified sum. The difficulty is, I am told in some instances, in keeping these persons at work, not because there is any shortage of work; the management desire them to continue in employment, but frequently have a difficulty in getting them to work the full week through, and then there come periods when they make claims upon the sick fund, because they do not desire really to go to work.

12,523. Generally speaking, I think you say that the men generally understand what the principle of insurance is, and that the women do not?—That is so.

12,524. What do you mean by saying that the women do not?—I believe that a woman has no idea at all about the sickness benefit being based upon an average, and that she looks to the fact that she has paid so much in contributions to the insurance fund, and that she expects to be able to at least draw that out in some way or other.

12,525. On what do you base that? Have they told you so?—Yes, we have had numbers of instances where persons have said, when a demand has been made in relation to quite illegitimate things: "I have 'paid in so much, why cannot I get it out?'" It is quite a common occurrence to hear that statement.

12,526. Do you think that that really means that they do not understand, or that they are using a fallacious argument in the hope of persuading you?—I think that they really do not understand the difference between sickness benefit on an average, and sickness benefit for the individual.

12,527. What have you to say about over-insurance?—I have no experience of that. We do not provide any voluntary benefit of any kind.

12,528. But your members are for the most part trade unionists?—I should not say so. I should say that if they were trade unionists, they would be in trade unions for State insurance purposes.

12,529. I thought that most of the people who went in for co-operation were trade unionists also?—A very large number are, and we have from the beginning refrained from persuading any to join our organisation as distinct from the trade unions. If they have been in trade unions, and have asked our opinion, we have always said, "Stick to the trade union," and if they have been in a friendly society, we have said, "Stick to the friendly society."

12,530. Have you got the people you wanted?—I would not say so. We have not got the whole of our members in these institutions, but we have some who prefer our organisation to the others; they are persons who are not in these other institutions.

12,531. Have you any figures as to the connection between wages and sickness?—I think that it has a very great bearing indeed upon the sickness experience that we may have in times of depression. If the present experience is probably what would be regarded as

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normal, what the experience will be in times of depression is a rather conjectural matter, which I would face with some amount of trepidation.

12,532. Have you any figures as to that?—I simply have figures in reference to persons who are irregularly employed, particularly with regard to men. In the case of labourers, the sickness benefit that has been paid is 110 weeks 5 days, and the cost is 55*l.* 13*s.* 10*d.*

12,533. How many of them are there?—I have taken here 100 of each kind quite indiscriminately; for clerks the experience has been 19 weeks 2 days, and the cost 5*l.* 13*s.*; for postal servants it has been 22 weeks, and the cost 7*l.* 15*s.* 10*d.*; for railwaymen it has been 90 weeks 4 days, and the cost 39*l.* 18*s.* I draw from that the inference that persons who are regularly employed at a living wage are less liable to draw sickness benefit than persons who are irregularly employed at a low wage.

12,534. Do you draw the inference that owing to the conditions of their employment, and the amount of wages which they get, they are more likely to become sick, or more likely to make improper claims?—The former inference.

12,535. You are not suggesting malingering in this connection?—No, I am not. Then in connection with women, in addition to the figures which I have already given, I would like to point out that weavers have an exceedingly high average of 225 weeks 5 days, at a cost of 79*l.* 2*s.* 5*d.*, which is nearly twice the experience of charwomen, and very much higher than the experience of domestic servants.

12,536. As between weavers and domestic servants, what inference do you draw? Is it that weaving is unhealthy?—I do not know that I would quite say that, but the inference that I would draw is that weavers, particularly, are married women, and when they want to remain at home, and do domestic duties, or look after the household or family, they are inclined to draw sickness benefit during such periods.

12,537. That is a question of malingering?—Yes; doctors themselves have in some instances indicated that they have great difficulty in getting the people to return to work.

12,538. You are comparing the married weavers with the single domestic servants?—Yes.

12,539. It makes a very substantial difference between the two?—Yes.

12,540. In the case of the married woman, you are continually getting a claim for sickness benefit for a month after confinement almost as a matter of form?—No, I am not speaking now in relation to maternity benefit.

12,541. You are comparing the married weaver with the unmarried domestic servant. In the case of the married weaver you would expect to find a very large proportion of sickness benefit drawn in respect of the month after confinement that you do not find in the case of the unmarried domestic servant?—But in this case it does not include that at all.

12,542. Why not?—For the simple reason that maternity benefit is not included.

12,543. It is ordinary sickness benefit that we are talking about, and not maternity benefit at all?—The maternity benefit is a quite separate classification.

12,544. I am not talking about maternity benefit at all. When these women are confined, they thereupon, if they are married, draw sickness benefit for a month?—Yes.

12,545. Put the maternity benefit out of the matter altogether; where a married insured woman is confined, she continues for a month after confinement to draw not maternity, but sickness benefit?—That is so.

12,546. That sickness benefit is in this comparison?—Yes.

12,547. Therefore the figures for the weavers are weighted against the figures for domestic servants by that amount?—Yes.

12,548. You recognise that this is only for the purpose of comparison, and that that fact has been provided for in the reserve values?—Yes.

12,549. You are not expecting that heavy charge to come on the society?—No, but the point has to be made as to whether that heavy charge has not been exceeded,

or whether the reserve value is not exceeded by reason of the much heavier experience than was anticipated. As I have said, we have cases where the doctors have told us that they have great difficulty in getting persons back to work after confinement. Here is a case in point where the doctor certifies the woman as suffering from gastritis after confinement. Upon writing to the doctor himself, he informed us that the woman was performing household duties, and that in his opinion she would be better at work, but nevertheless he continued to certify her.

12,550. What did you say to him?—We immediately suspended benefit. Of course he told us the facts upon being asked, and we would not say anything very much to him.

12,551. Have you many cases of that kind where you have evidence as to people stopping off, when they are able to return?—Yes, we have a fair number of such cases.

12,552. What do you say about deliberate and conscious fraud?—We have received a number of claims which have been made in respect of something which happened when a person was drunk.

12,553. You found that out afterwards?—Yes, and we stopped benefit, of course.

12,554. That is more on the matter of misconduct, is it not?—I would regard it as a deliberate fraud, if a person is well enough to go drinking in a public-house, that he should claim benefit during such period.

12,555. I really wanted to ask you about the case of persons who were fraudulently pretending to be ill, when they were not ill?—We have had a very large number of cases in which persons have made claims when they were not at all justified in making such claims; these people were really not incapacitated. We have had a case where a person actually made himself ill in order to draw sickness benefit.

12,556. In what way did he do that?—He starved himself, and the doctor himself told us that the man starved himself in order to be able to get a certificate.

12,557. You have not got many cases of starvation; have you many cases of deliberate fraud?—I have 30 cases: which of these that particular one relates to, I cannot say.

12,558. What are rest of these 30 other cases?—Where a person deliberately enters into insurance with no insurable interest, and at the suggestion of the doctor, in order that he may be able to get sanatorium benefit.

12,559. In what circumstances?—He was, of course, suffering from phthisis, and he was not in employment; he did not earn 2*s.* After the Act came into operation, he was supposed to be a spare-time insurance agent of a company, but he did no business, only stamping his own card, and he really had no insurable interest at all.

12,560. What did you do with him?—We expelled him.

12,561. That is not what I am thinking of. Have you any sort of evidence that people were deliberately imposing upon you? I mean people who pretend to be ill, knowing quite well that they are not ill?—There is a case in point where the person was doing work the whole of the period, and was receiving exactly the same remuneration as he had been receiving previously.

12,562. What was he working at?—He was a general labourer, and was upon the funds of the society for many weeks before we found out.

12,563. What is your view about the general attitude of the doctor?—That in many cases there are persons getting certificates for quite frivolous things; for instance, in dental cases. Formerly, such persons had their teeth attended to in their own time during the evening, and continued at their work. Now there is a disposition to come upon the funds of the society. Then we have defective eye-sight, where a person only requires a pair of spectacles, which he could get, if he asked for them at the beginning of the illness, and it is only after many weeks sickness benefit that he gets them. Then they are bringing in certificates for bilious attacks, gumboils, cephalgia, which

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is really headache, tooth-ache, decayed teeth, boils, shortness of breath, pediculi, erythema; these are illnesses that are quite frivolous to put in a certificate.

12,564. Are you not making a complaint about the doctor?—I should be very sorry to make a complaint about the doctor in any circumstances; but the point which I am making here is that these persons will be certified by the doctor for incapacity, when they are really not incapacitated, and that they make claims when there is no incapacity.

12,565. That is rather specific about the doctors. Roughly speaking, are they helping you, or not helping you?—The doctors are in many cases not helping at all; they are putting every obstacle they can in the way of the administration of sickness benefit.

12,566. Do you say that that is general all over the country, or that it occurs in particular areas only?—It would be fairly general; it is not necessarily in every area, but it has been fairly widespread, and in particular localities there has been very great difficulty in its persistent continuance, and notwithstanding the fact that the greatest pressure has been brought to bear on them to do the thing that is perfectly right, there has been great difficulty in getting them to do it. On the other hand, in some of the areas the doctors have met us in a very handsome way indeed; they have said, "Whatever your difficulties are, if you are good enough to let us know, we shall be only too pleased to give you every facility and information." They have said, "Do not appoint referees; there is no need for them. We will do all that is necessary, and if you have any doubt about cases, let us know; if you have any knowledge that we have not, let us have that knowledge, and we will view the case in the light of that knowledge," and I am bound to pay the very highest and most earnest testimony to the goodwill of the doctors in many areas, and that is seen in the better working of the Act, and the smaller amount of friction between insured persons and the society in these places; and if we could have reached such an arrangement throughout the whole of the country, there is no doubt about it that we should get a very much more satisfactory administration.

12,567. Do you think that it is getting better or worse?—I think that it has been gradually getting better, practically the whole of the time since about February last.

12,568. The first thing of which you complain is that doctors are giving certificates for illnesses which do not incapacitate?—Yes. Another instance is that they give certificates that come under the debarring clauses, and do not indicate what is the real cause.

12,569. I would like to understand what your complaint is on that point. Take a simple case. Suppose a man falls down an area, and breaks his leg, and the doctor attends him. Do you suggest that it is the doctor's business to find out why it was that the man fell down the area?—Not at all.

12,570. It may be due to drunkenness?—Yes, and it is the duty of the approved society to ascertain whether it is in fact or not.

12,571. Suppose a man is suffering from a particular sexual disease, do you suggest that it is the doctor's duty to satisfy himself that it is due or not due to the man's misconduct?—I am not sure that it is his duty.

12,572. If it is not, the whole argument falls to the ground?—I am not sure that it is his duty under any contract, but at the same time I do think that it is a very desirable thing, and if it is not in the contract, it ought to be.

12,573. How is he to do it?—Of course, we cannot expect the doctor in all circumstances to ascertain the fact.

12,574. Can he ever ascertain it?—I should say so. I have no knowledge of what means the doctor takes to ascertain it, but clearly he does ascertain it, because already he certifies it to us.

12,575. Some doctors state that this particular disease was due, or not due, to the man's misconduct?—Yes.

12,576. What is their opinion worth on this subject, more than mine or yours?—I should say that it ought

to be worth a great deal more. The doctor knows what the causes of various illnesses may be, and he will eliminate the improbabilities.

12,577. How is he in a better position to eliminate the improbabilities than you are?—There are certain things that he can infer from the nature of a disease and its condition—that it can only be caused by one thing.

12,578. What are they?—We have had cases where the doctor certifies that it could only be due to a certain thing.

12,579. What is the certain thing?—I have not the case in mind just at the moment, but we have had cases of the kind where there has been doubt, and where the doctor has told us, when we have been inquiring, that undoubtedly the case is one of gonorrhoeal infection.

12,580. How is the doctor to know that the gonorrhoeal infection is due to the man's misconduct? How can he know any more than you know?—I cannot tell you that.

12,581. There are two ways in which the man can become infected, roughly speaking. How is the doctor to know?—Naturally it is the doctor's business to inquire from the person if he is suffering from a given disease as to the cause, because it may affect his treatment of the disease; the disease may be due to one, two, or three causes, and the treatment may be different because of the causes.

12,582. Take the case of a woman. The doctor cannot be expected to say whether the infection has been conveyed by her husband or by a strange man?—No, I should say that that would be impossible. In all cases of this kind, all we ask the doctor to do is to give us the information if it is within his power.

12,583. How can it be within his power?—In a case of this description he will judge from some reply that the patient himself or herself gives to the doctor.

12,584. Why cannot you ask the patient the same question?—I have not the same power as the doctor. In such a case the doctor naturally desires to get at the facts.

12,585. How is the doctor to know whether there has been infection by the husband or someone else?—Quite so, but the infection is there.

12,586. What he knows is that the woman is infected in a particular way, and that the infection has been caused by intercourse with a man; that is all he does know about it. What does it matter to him whether it is due to misconduct or not?—We do not ask that; if he certifies gonorrhoeal infection that is sufficient for us; we do not ask whether it is misconduct by one person or another. If it is the case of infection of the kind, we simply do not pay.

12,587. It comes to this, that it is entirely unnecessary for the doctor to certify whether it is due to misconduct or not; all you want him to put into the certificate is that it is due to venereal disease?—Yes. He is in a better position to know than anyone else.

12,588. May not he retort upon you that his business is to certify the specific disease from which the woman is suffering?—If we could always rely on the doctors telling us that, it would make our difficulties very much easier, but we cannot rely on the certificate of the doctor stating the actual disease.

12,589. That is another point altogether; but I want to get rid of the suggestion that it is the doctor's duty to satisfy himself as to whether your rule is being obeyed or not. I want to suggest that it has nothing to do with him at all?—I do not suggest that it has anything to do with him, but what I suggest is that it might be a desirable thing to ask the doctor to give such information when it is within his knowledge. We cannot expect him to give it in all cases.

12,590. You say that the doctor should certify that a particular state was not due to a man's misconduct?—Yes.

12,591. I only want to get what your real point is, and I pressed as to whether you really meant to put it that whether there was misconduct or not, was not relevant, and that what you wanted to know was whether the illness was due to venereal disease?—Yes.

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12,592. Suppose he does certify that the person is incapacitated by disease which is specific, and which he states specifically, has he not done his duty? Do you not think that he may have at the back of his mind the possibility that some state of the patient may be due to some old infection of long standing, and if he has put down a specific name which all people in medical practice recognise, has he not done his duty when he has written that word?—I do not regard that as being sufficient; what I desire is that he should be expected to give us the actual cause, the primary cause of the incapacity.

12,593. How can he do that?—I say, where he can. There are cases where it is impossible, but where that can be given, we think it ought.

12,594. If a person is suffering from gonorrhea, and it is put on the certificate, there is an end of it; you know what you want to know, and you have to deal with it?—If that could be done in all cases, that is all we desire.

12,595. But suppose a person is suffering from these numerous things which you detailed to us last Thursday, as being possible sequelae of the venereal diseases, do you ask the doctor to go behind that, and tell you what it is due to?—Where he can. There are cases where the doctor will say that it is quite impossible to give that information, and we do not expect anything of the sort; but where it is within the knowledge of the doctor, we think that it should be given.

12,596. What do you mean by within the knowledge? How is the knowledge obtained?—From the insured person.

12,597. From the statement of the insured person?—Yes; the doctor naturally enquires of the patient the condition and the past history, and how long he has had it, and from the replies the doctor is in a position, in which the layman is not, to ascertain whether it is probably caused in that way or not.

12,598. The question whether it is caused by that or not is a question of fact?—Yes.

12,599. Upon which, in the long run, you have got to make up your own minds?—Yes.

12,600. If a matter comes before a court of law, the court of law does not submit its judgment to the doctor?—It is very largely guided by the opinion of the doctor.

12,601. There are usually two opinions—a doctor on each side, and the court has to pronounce its decision?—The judge has to decide which is the more reliable opinion.

12,602. He has to look at all the circumstances of the case and, upon the best evidence he has before him, bearing in mind the knowledge of the men and the way in which the evidence has been given, to make up his mind?—Yes.

12,603. Why should you put the doctor in that position?—We do not say that it should be imperative. What we say is that where such information can be given, in the best interests of administration it ought to be given.

12,604. Suppose you have a man certified as suffering from acute dyspepsia. Acute dyspepsia is, I suppose, in many cases due to drink, is it not?—I presume it might be. At the moment I really cannot remember a case of the kind.

12,605. Do you not know many cases of acute dyspepsia due to drink?—I have no such experience.

12,606. If you found such a case, or if your medical adviser advised you that a case of acute dyspepsia was due to drink, would you think it the duty of the doctor in a case which he diagnosed as dyspepsia to find out that that was the cause?—No, I should not think that at all, because if such a case did occur, it would be a very rare case indeed. I have no reason to believe that it would be a common case.

12,607. You think that the doctors do not tell you as much as they might?—Yes.

12,608. Do you suggest that the doctors are deliberately hostile and trying to retard the administration of the Act?—I think that I have found cases where, from the doctors' attitude, I could come to no other conclusion.

12,609. Would you say that they are reckless?—The doctor is in a very peculiar position very often. If he states to the insured person that he is well enough to go to work, and ought to be at work, and refuses to certify him, he probably offends not only the member himself, but, in addition, loses a great deal of private practice. Doctors are not prepared to put themselves in that position. They tell us, quite definitely and deliberately, that if a person asks them for a certificate, if they are in doubt, they give it. But they go further than that, and they say: "Of course, if they ask for a certificate, we give it them." We have had cases where the doctor has given certificates for weeks, and yet, at the same time, he acknowledged that they ought not to have been given, or that the persons ought to have been at work.

12,610. Apart from the rather improper motive to which you have referred, do you think that they are to some extent under a misapprehension as to what it is to which their patients are entitled?—I do not know that they are, so far as the patient is concerned. They are sometimes under a misapprehension as to what cases a patient can claim for. They sometimes think that a patient is entitled to a fortnight's holiday, when he is a bit run down. We had a case where a doctor certified a person as requiring a holiday for two months.

12,611. What was the matter with that person?—I think it was neurasthenia, and the person went on holiday to Blackpool. We sent over to Blackpool to see the person, and found that he had gone from Blackpool to the Isle of Man, and was enjoying himself in very nice style. He claimed benefit during the whole period.

12,612. Do your rules forbid members from moving about?—Yes.

12,613. From moving out of the town where they live during receipt of sickness benefit?—Yes.

12,614. But you give leave, if the doctor says that a man will be all right if he has a week or two at Blackpool, or something of that kind?—Generally without question; in cases where a person's case requires change of air, we do it immediately.

12,615. Speaking generally, do you find that you are able to get the name of the disease stated on the certificate?—Speaking generally, now we do. There are still cases, however, where we do not; where such general terms as "debility," "general debility," or "asthenia" are used.

12,616. What do you do then?—We refuse benefit.

12,617. Until you get a proper certificate?—Yes.

12,618. Do you generally get a proper certificate in those cases?—Ultimately, yes.

12,619. Do you find that certificates are being properly dated?—We have no reason to believe otherwise, because we insist upon certificates being deposited within three days. We have had one or two instances where they have been ante-dated. But our arrangements are for a person to supply a certificate within three days of the date at which it is issued—not of the date of the doctor's first visit, but the date when the certificate is issued. Of course, we recognise incapacity from the date the certificate is issued, not from the first date the doctor attends.

12,620. Do you mean the fourth day from the beginning?—If, for instance, the doctor has visited a person three days prior to its issue, we should then pay from the date following the issue of the certificate.

12,621. Does the certificate say how many days the person has been sick?—Some do. They say: "I examined him on such and such a date, and found him suffering from so and so. I have since examined him on such further date." If the further date is the date of the issue of the certificate, and the doctor has been three days prior, we pay immediately.

12,622. Do you require your members to obtain a certificate in every case, whether they have eventually to come on the sick fund in respect of that illness or not?—We do.

12,623. Do they actually do so?—Yes.

12,624. And the doctors fill them up?—Yes.

12,625. You find now that your members are able to get the certificates which the doctors contracted to

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give?—Speaking generally, yes. There are one or two instances yet where the doctors refuse to give a continuing or a declaration-off certificate.

12,626. Do you find that doctors sometimes refuse to fill in anything on the ground that the filling in of a particular disease would be dangerous to the patient?—We have had one case where the doctor indicated to us that he did not desire the patient to know the particular disease from which he was suffering, and we told him that if he would be good enough to send the certificate to us, all that he would need to put in the continuing certificate was the statement "As before."

12,627. What was the matter with that man?—Cancer.

12,628. You recognised that that was a very reasonable thing to do?—Quite.

12,629. In regard to continuing certificates, you say that in some cases you do not get them?—We get them always, but we have difficulty sometimes in getting them.

12,630. Why is that?—The doctor will not fill in the cause of incapacity, or will not connect the continuing certificate with the former certificate.

12,631. Are the certificates on one sheet?—No; they are separate.

12,632. Would it be difficult to connect them?—It would be easy to do so by saying "As before," or in the words of the new form, "As previously stated."

12,633. Do you mean by a number?—No; there is no reference required.

12,634. Why will he not put that on?—In the first place, he has taken up an attitude of hostility all along, and when these new forms of certificate came out, he agrees to give the form, but he does it unwillingly. There is no willing service in these individual instances.

12,635. They are only individual and scattered cases?—Yes.

12,636. Do you take any measures in regard to them?—We insist upon the certificate being properly filled in.

12,637. Do you get it?—Yes, ultimately.

12,638. What was the point that arose between you and the Manchester Insurance Committee? I thought that you had some difficulty with the doctors of Manchester about certificates?—Originally, but it is largely settled, although individual cases still crop up. We had one case at Stockport only yesterday. Yesterday also I interviewed a doctor in Manchester, who, after conversation, quite saw the matter from our point of view, and agreed.

12,639. That sort of thing is dying away?—That is so.

12,640. You wish to give a comparison between the two methods of payment of doctors—the system of payment by capitation and the system of payment per attendance?—In connection with the capitation system, we find that there is a general experience throughout the country, in large cities and towns particularly, of a more favourable character so far as the sickness benefits are concerned. Our sickness experience for the first six months, for males and females respectively, was in London 1·7 and 1·7; Liverpool, 1·1 and 3·2; Birmingham, 1·4 and 1·9; Blackburn, 1·5 and 2·6; Bradford, 1·9 and 3·5; Bristol, 2·1 and 2·7; Newcastle, 2·2 and 1·4; Warrington, 1·8 and 3·2; Barnsley, 2·8 and 2·7; Birkenhead, 1·3 and 2·1; Leicester, 2·1 and 2·2; Lincoln, 1·6 and 2·9; Nottingham, 2·1 and 2·9; Bath, 1·1 and 3·2. That is an average for those 14 places of 1·7 for males and 2·3 for females, or an all round average of 2·0. But the Manchester experience is males 2·2, females 3·9, or an average for the two of 3·0—50 per cent. above the average of the other 14 places. For Salford the figures are 2·7 for males and 4·3 for females, 3·5 taking the two together, or an average of 75 per cent. above that of the 14 places that I have named.

12,641. On what principle have you picked those 14 places?—On no particular principle. We picked them simply having regard to their size, and similarity of industrial conditions.

12,642. Have you any idea what the number of members is in the 14 places on the one hand, and in

Manchester on the other?—We have a much larger membership in Manchester, than in any one of the other places named. As to the sum of the whole, I can only give a very rough estimate. I should say that the probabilities are that in Manchester and Salford we have one-sixth of the number that we have in the aggregate of the other 14.

12,643. (Mr. Davies.) Could we have the character of the workers, as regards males or females, in those areas?—The conditions obtaining in some of these other places would be very liable to increase the sickness experience, rather than to decrease it. I do not think that there is any element in Manchester or Salford that would be at all likely to increase the experience, so far as the character of the employment or of the membership is concerned.

12,644. (Chairman.) I think that you ought to give us some idea of the respective male and female membership in those places. Take Manchester; how many men and how many women are there?—It is difficult to give the correct total, as we have them in different agencies. But in this one agency we have 625 males and 598 females. I am only speaking from memory, but I should say that that would probably be a little greater in number, so far as females are concerned, than would be the case in the other towns. The proportion of females would be slightly higher in Manchester than in the other towns.

12,645. You told me at the beginning of your evidence the total number of men and women in the whole society?—Yes, 60 per cent. males and 40 per cent. women. In this case it is about 50 per cent. of each.

12,646. Have you any reason to suppose that the figures in the other towns differ from the general average of the society?—I should say that they are about the average; I have no reason to suppose otherwise.

12,647. You wish to draw attention to certain figures with regard to prescriptions in this connection?—The same proportion is borne out having regard to the number of prescriptions given per insured person in the various areas. The figures which I have given respecting sickness benefit relate only to our own society. In the county of Lancashire for every insured person in the whole area there are 1·6 prescriptions given during the first six months. Oldham, 1·9; Warrington, 1·3 —

12,648. Have the various committees made up these figures yet?—As a member of the Manchester Insurance Committee, and of a sub-committee appointed to make an investigation into what appeared to us to be the very serious difference, I have been in a position to get these figures. Otherwise I could not have given them.

12,649. Do you say that the average for the 14 insurance committee areas other than Manchester and Salford is 1·6?—Yes; other than Manchester and Salford. They are under the capitation system, and the average is 1·6 prescriptions per insured person.

12,650. And what is the figure in Manchester and Salford?—In Manchester it is 2·4, which is 50 per cent. above the average; in Salford it is 2·3, which is 43·8 above the average.

12,651. Is there any place in the list which has such high figures as these?—Blackburn, with 2·0, is the highest, irrespective of Manchester and Salford. Oldham, with 1·9, is the next.

12,652. You are going on to the cost of drugs?—Yes. The cost of drugs for the first six months is 5,600*l.* above the amount available for the Manchester area.

12,653. What was the amount available?—The amount available was on 157,000 insured persons. It was 11,400*l.* 9*s.* 9*d.* for Manchester.

12,654. When you say "available," does that include everything?—It includes the floating sixpence. The amount comes to 16,540*l.* 7*s.* 8*d.*, after checking and disallowing the chemists' accounts, showing a deficiency of 5,140*l.* 7*s.* 8*d.*

12,655. You say that there is a deficiency?—Well, there is an over-spending on drugs. The accounts that have come in amount, after making all proper

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deductions, to 5,140*l.* 7*s.* 8*d.* in excess of the amount which the committee had to pay for such services.

12,656. You wish to draw some inference from this?—I have honestly tried to find some other way out, but the only inference I can draw is that the system lends itself to over-attendance, to over-prescribing, to over-certifying, and to over-spending on the sickness benefit account. The idea of different doctors appears to vary very much, having regard to the case value. At the beginning the case value varied from 3*s.* to 25*s.* for different doctors. I am glad to say, however, that disciplinary measures have been exercised, are being exercised, and will be exercised even more stringently, I believe, in the future; and the exercising of these disciplinary measures has already reduced the case value, or the variation in case value, to 4*s.* the lowest and 8*s.* the highest.

12,657. Will you tell us what you mean by "case value" in that connection?—The system in Manchester is to charge per attendance. The doctors take the number of attendances that they have made during one month, and divide this number by the number of persons attended. The resulting figure is the case value—the number of attendances per case.

12,658. It is not the system on which they are paid; it is a useful way of testing the attention they are giving?—Yes; and upon an agreed basis per visit the accounts are rendered. If there is not sufficient money to meet the accounts, they are all reduced in proportion. Prior to that stage being reached, the discipline that has been exercised reduced individual doctors' accounts by over 50 per cent. in some cases, thus indicating that the doctors themselves realised that some of their own medical brethren were taking unfair and undue advantage of the particular method that has been adopted.

12,659. And indicating also, on the other side, that you are getting assistance from the general body of the profession in checking the action of these wrong-doers amongst themselves?—Yes. That I wish to acknowledge very fully.

12,660. Lastly, you say that in certifying, the doctors do not give you the assistance they might to distinguish between accident and illness, by which you mean between incapacity due to accident, and incapacity due to illness, do you not?—Yes. The same remarks respecting misconduct could be made in respect of accident.

12,661. You realise there also that, after all, a doctor is dependent upon what a person tells him?—Yes. We do not object to that so much, because in cases of accident we are able to get at the facts ourselves much easier than in other cases. But the doctors argue that it is no part of their business to indicate whether incapacity is due to accident or otherwise. Sometimes when information is within the reach of the doctor, and we ask him for it, he coolly demands a fee.

12,662. What case are you thinking of? Can you give me an instance?—I will give you one case. I have a case here where the doctor certified for some weeks neuritis, and we actually paid 4*l.* 12*s.* 6*d.* upon that certification. Afterwards we found that it was due to traumatic neuritis.

12,663. What does that mean?—Neuritis due to an injury.

12,664. What was the injury?—Falling down a ladder whilst at work.

12,665. That man was committing a fraud upon your society, was he not?—Yes, but I do not think that it was a conscious fraud. I do not think that the man himself thought anything about workmen's compensation. As soon as we drew attention to it, and told him that he could get workmen's compensation benefit, and called upon him to do so, he did it. It was not because of unwillingness in this case.

12,666. You do not think either that on the doctor's part there was any wilful concealment beyond his being unwilling to take the responsibility of saying anything about it at all?—No; I think he did not regard it as part of his duty.

12,667. Did he know anything about it?—I have no reason to think that he did not.

12,668. Have you any reason to think that he did?—If a doctor is called in to a case where a man has sustained an injury of that kind, I should say that the usual course is to try to ascertain the cause of the complaint.

12,669. Do you know in fact how soon after he had tumbled off the ladder the man went to see the doctor?—Two days afterwards.

12,670. I do not want to go into medical details, but I should have thought that if a man fell off a ladder and hurt himself seriously, there would be something besides neuritis to look at?—The doctor saw the person two days after the accident occurred.

12,671. What kind of man was the member?—He was a labourer.

12,672. How old was he?—Twenty years of age.

12,673. You say in this case, not that the doctor ought to have said "This is due to an accident occurring in the course of the man's employment," but really that he ought to have given you such information as would have led you to see that it was due to an accident?—Yes.

12,674. Do you say that it must have been within his knowledge?—Yes.

12,675. From the circumstances you think that he would not deny that it was within his knowledge?—I do not think that he would. My point is that the doctor does not always appreciate that the societies cannot pay upon every incapacity.

12,676. There is an enormous difference between this case, and a case in which you might desire to put upon the doctor the duty of saying, not only that such a thing was obviously due to an accident, but that it was due to an accident which might conceivably give rise to compensation?—My view of it is that the doctor should be required to give such information as is within his power upon such points.

12,677. It seems to me reasonable to ask him to give that which he finds out by his own scientific observation, but it is unreasonable to ask him to give that which he only obtains by means which are open as much to you as to him?—I quite recognise the distinction, but, at the same time, I do not think that it is fair to put it upon the approved societies. I certainly think that the doctor is much more likely to be the correct authority to ascertain such information.

12,678. Your society really has got to decide, subject to an appeal in any particular case, whether they are going to pay sickness benefit or not?—That is so.

12,679. That is a responsibility of which nothing can divest them?—That is so.

12,680. Would you like to divest yourself of that duty altogether, and hand it over to the doctor to decide?—No, because that would be like allowing the doctor to draw a cheque for any amount he chose upon the society; there would be no need of a society at all; you could hand over the whole administration to the doctors.

12,681. Does not what you have been saying tend that way?—No. If that were the logical conclusion, I think that the same could be said of the very fact that you need a certificate from the doctor at all.

12,682. The doctor assists you with such evidence as will enable you to pay?—That is exactly my point. They do not assist us with such evidence as they have, and which would enable us to pay, or otherwise.

12,683. I want you to tell me about the general organisation of your society. You told me that it was a society established as a separate section of the Co-operative Wholesale Company?—That is so.

12,684. How is it actually worked? Is it a centralised society?—Yes. It has a local committee in every area.

12,685. How is it divided into areas?—The areas are coincident with the various local co-operative societies, or retail co-operative societies throughout the country, with certain sub-divisions in certain areas; but they are comparatively few.

12,686. Are the local co-operative societies a part of the parent company?—The local co-operative societies are shareholders in the Co-operative Wholesale Society, and as such they control the Co-operative Wholesale Society by a system of delegates.

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12,687. They send up so many delegates according to the number of shares?—Yes.

12,688. How many of these areas are there?—About 1,200.

12,689. Are there as many areas for the purposes of the Insurance Act?—Practically so; in some areas it has not been convenient to take it up, but roughly speaking that is so.

12,690. Is each of these areas governed by a local committee?—Yes.

12,691. How is that local committee brought into existence?—It is appointed by the general delegates' meeting. Each thousand insured members appoint a representative, and that representative attends a delegates' meeting.

12,692. Where does it meet?—In Manchester quarterly, or at least we have power to meet quarterly. We have met once, last November; we shall meet again in April, and from time to time as required.

12,693. Is it a large meeting?—Probably from 160 to 180 delegates. They do not all necessarily attend from every area; but roughly there would be 180 delegates. There are 180,000 members, and one delegate for each thousand members.

12,694. I do not quite understand how one delegate for each thousand members corresponds with the areas?—There is no geographical division of the membership.

12,695. This delegates' meeting meets at Manchester; for how long does it meet?—It goes on for about three hours.

12,696. You get all the business done in that time?—Yes.

12,697. Are the delegates paid for attending?—No. That is a difficulty. We have not got it in our rules.

12,698. Are their fares paid?—Yes.

12,699. They elect the local committees for the different areas?—Yes.

12,700. How do they know whom to elect on the local committees?—Generally speaking, they elect the local committee which already operates in the particular area; we have local committees for other purposes.

12,701. For what other purposes do they exist?—The general purposes of the society. These local committees are appointed by the members direct. As a rule, the delegates' meeting simply elects them also to attend to this other matter.

12,702. They may be people who have nothing to do with insurance work?—In such a case they appoint a sub-committee of insured members to undertake this duty.

12,703. Responsible to them?—Yes.

12,704. That is the local governing body—the body appointed by the delegates?—Yes.

12,705. Consisting, in fact, very often of the people who are the local governing body of the local co-operative society?—Yes.

12,706. What is the central governing body?—The central governing body is the directorate of the Co-operative Wholesale Society.

12,707. Are they insured people, or have they insured people among them?—No, they are not insured persons.

12,708. What is the division of responsibility as between the central and the local bodies?—The local body receives claims and passes them on; they receive applications for membership and make their recommendation in relation to them. They have also power to hear and determine in the first instance disputes, if there are any disputes locally.

12,709. They have no authority to pay any claim?—No.

12,710. And no authority to accept a member?—No.

12,711. They arrange disputes locally?—They hear and determine disputes locally in the first instance, subject to an appeal to the committee of management, and from the committee of management to the general delegates' meeting, and from the general delegates' meeting to the Commission.

12,712. Who appoints the local officials?—The local committee.

12,713. What officials are there in each local area?—Only the secretary.

12,714. Is he elected by the local governing body?—Yes.

12,715. Is he paid?—Sometimes; not always.

12,716. Is he a whole-time or part-time officer?—Sometimes, when the volume of work is sufficient, he is whole-time.

12,717. Does he carry on his operations from the retail branch of the local society?—That is so.

12,718. Supposing an insured person falls sick, and wants to make a claim, what does he do?—He deposits his notice at the local office, accompanied by a doctor's certificate and the insurance book, and that is immediately sent up to the central office.

12,719. They go to the shop and hand it across the counter?—In some instances that may be the case, but very generally it is done by being put into the office itself. In each local area there is a central office. The local committee determines whether the claims shall be deposited at the central office, or whether they shall be deposited at the local store. It is simply for the convenience of members.

12,720. The central office is not the same thing as the store?—Not at all, though it may be in the same street or in the same building.

12,721. The notice may be put in at the store or at the office?—According to local arrangements; they make their arrangements to suit the convenience of their own members.

12,722. What happens next?—When it has come in, it is sent at once to us without comment, unless there is some reason locally for making a comment; but usually it is sent without comment at all.

12,723. What is the object of depositing it locally?—It would be impossible for us to deal with 180,000 members through the post from one central office.

12,724. But does the local office do nothing but merely post it on?—They may receive half a dozen or a dozen claims in a day, and they send them on in one envelope. It saves postage. Another reason is that the local secretary has to put on the form the date and time of the deposit of the notice and his stamp. That is because a man may be moving about the country; he may be in one area one day, and in another the next. But wherever the man is throughout the country, he has no difficulty in getting his claim met. But the reason of the deposit at the local store is so that the local secretary may put on this stamp, and our authority to pay is sent back to the society whose stamp appears on the particular claim.

12,725. It goes up to the central office; what does the central office do?—We verify the claim.

12,726. To verify the claim your clerks have to look up the books to see whether the man is in benefit or not?—Yes.

12,727. Are the contribution registers kept at the head office?—Yes.

12,727a. To whom is the notice then passed?—Each clerk has his own section and deals with nothing else but his own section.

12,728. A local geographical section?—No; a numerical section. We deal with numbers, and numbers only. Names never appear in any way. The clerk verifies the claim.

12,729. That is to say, he sees whether the member is in benefit?—Yes.

12,730. Who gives authority to pay? That is where the whole business of the society turns round, between these two things. What does the expression "verifies the claim" mean?—If it is a case that is perfectly clear, he authorises it immediately.

12,731. He has authority to do that?—Yes. At each desk there is a man in charge; he is in charge of eight other clerks. If any difficulty arises, the claim is passed on to the head of the desk.

12,732. In what kind of difficulty would that happen?—If there were doubt whether it is a complaint for which payment ought to be made.

12,733. But what is it in the mind of the clerk that gives rise to the doubt?—He has an indication that certain complaints must be referred to the head clerk; he has nothing whatever to do with that.

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12,734. He has a list?—Yes. There are complaints due to misconduct or due to accident.

12,735. But what would he do with everything not included in that list?—He would pass.

12,736. Now turn to those which have got to the head clerk?—If he can out of his own knowledge say that the claim can be passed, he does so.

12,737. Can you be more concrete? I find it very difficult to settle in my own mind what it is that would pass in the minds of these men when they were dealing with a claim, and how it would be decided that it was a matter for the head clerk to pass?—There are some cases that would be certified in general terms, such as "debility," "asthenia," and so on; those would be passed to the head of the desk, and he would determine whether it was a proper thing to certify or not.

12,738. How can he? If you get "debility" or "asthenia" you have a regular rule about that, and you can deal with it almost by rule of thumb?—Yes; as a matter of fact, "debility" we should at once reject.

12,739. Therefore the clerk below could reject that?—Yes.

12,740. I want an instance of something which the clerk below would provisionally put aside, but which the top clerk would pass?—The top man has a medical dictionary, and anything that is not within the knowledge of the clerk would be referred to the top man, in order that he might ascertain what the particular complaint was.

12,741. He would form his own judgment?—Yes.

12,742. What does he do in a case which he still finds himself unable to pass?—The case goes to the examiners. We have examiners for the very purpose of determining these points.

12,743. What kind of people are they?—They are people of more experience. Each has his own numerical section.

12,744. They are not people with any medical knowledge?—No, not with any specific medical knowledge. If the examiner cannot determine the question, then it goes to the assistant manager.

12,745. How many examiners are there?—Three, each dealing with his own section. A case is never referred from one examiner to another. It goes to the assistant manager, who determines the matter finally.

12,746. What about yourself?—If there is any odd case where he is in doubt, he would refer it to me.

12,747. What would you do?—I should determine what measures had to be taken to ascertain the facts. If it was a case of doubtful facts, we should determine what measures were to be taken to ascertain the facts—whether by writing to the employer, or by getting further forms filled up by the insured person, or by writing to the doctor, and asking if he could give further information.

12,748. When you say that you determine it, you mean that you determine it yourself without reference to any committee?—In the first instance.

12,749. And in the second instance?—Ultimately, if there was any question of doubt, it would go to the committee.

12,750. That is a matter in which you exercise your private judgment?—In the first instance, yes.

12,751. You come to a conclusion yourself whether you can reasonably strike a man off, or put a man on?—That is so.

12,752. Supposing you think a question still doubtful, to whom does it go?—In that case it would go before the committee, and they would determine whether benefit should be paid or otherwise.

12,753. The governing body of the Wholesale Society?—Yes. But we never give a specific case to the governing body. They determine purely upon principles. No such thing as a name ever appears before them. The reason for that is obvious. As employers, there might be one of their own employees involved, and we are most scrupulous in keeping information of that kind away from the committee. They know nothing whatever about it, so far as the individual case is concerned. They determine it upon the general principle.

12,754. You apply a general principle to the specific case, and refuse or allow it accordingly?—Yes.

12,755. But the specific member, if dissatisfied, has an appeal to the quarterly delegates' meeting?—Yes.

12,756. Quite apart from the evidence which you are now submitting, do you not think that your society might consider whether it would not be desirable to have some more expeditious tribunal in existence than the delegates' meeting?—I know of no society that has a more expeditious final authority than one which meets every three months. Usually a matter is determined by the head office, or the head governing body of a national organisation, which usually meets every three months. I know that in very large organisations they may meet probably every month.

12,757. Supposing you want more information on the subject, you send it back to the local office, do you?—There might be a case where it would not be desirable even to send it to the local office. We are particularly careful, in cases of doubt which might reflect somewhat upon any individual, only to send it to the local committee, when there is some information which the local committee might properly give us. For instance, let us assume that a certificate was obtained, and we were doubtful about the cause. Suppose we wrote to the doctor to ascertain the cause, and the doctor indicated that it was due to misconduct. In that case we should not tell the local committee the reason; we should not give them, nor even the local secretary, any idea why the claim was refused. All we should tell them would be that the claim had been refused, and that we had communicated with the member accordingly. They would then strike the case off.

12,758. It is purely a question for the central office, whether you pursue your enquiries in the area or through the local office?—That is so. We have full power in the head organisation to deal with matters direct.

12,759. Supposing it was a question really of an offence under the rules: the proper tribunal to deal with that is the local tribunal, is it not?—That would be when a charge was made. They would never deal with such a matter, unless a charge was made.

12,760. When a woman has been struck off for doing household work or something of that kind, does not that go to the local committee?—No, unless she appeals.

12,761. What you are doing is to punish her for an offence against the rules, is it not?—We simply refuse any further benefit. We do not lay any charge against her. We simply refuse to pay any further benefit. If she says, "I ought to have further benefit," we say, "In that case we shall determine the question having regard to the facts as to your continued incapacity; but so far as concerns the offence of doing household duties during the time you have been receiving benefit, we lay a charge against you to be determined by the local committee."

12,762. Is it not rather awkward to have a matter going to two distinct tribunals?—No, I do not see any difficulty; we have not experienced any.

12,763. The one official of your local organisation is the secretary?—Yes.

12,764. An elected person, sometimes whole-time, sometimes part-time?—Yes.

12,765. Does he visit?—Sometimes.

12,766. Does he pay?—He pays.

12,767. At the office, or does he take the pay round?—Sometimes at the office, sometimes at the person's house. If a person is able to come for it, he comes; if he does not come, the money is taken to him.

12,768. On any particular day?—Not necessarily. That is arranged to suit local convenience.

12,769. In any particular area is it paid on any particular day?—Yes; there is a particular day in each area.

12,770. Do they pay for broken periods?—Yes; they pay up to the Saturday of each week.

12,771. On the Saturday?—Not necessarily; it may be on the Friday, a day earlier.

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12,772. The secretary visits the people in their houses; is there any other sickness visitor?—Yes; female sick visitors visit females.

12,773. How many are there?—In some instances, three or four in a given area.

12,774. Who appoints them?—The local committee.

12,775. Without any control by the central authority?—The central authority have the power to appoint them themselves, but they delegate that power to the local committees.

12,776. The local committee appoint in every case?—I would not say that they do in every area. They make such arrangements as appeared to them to be desirable. Speaking generally, sick visitors are appointed, and they visit regularly.

12,777. What sort of people are they?—Sometimes nurses, sometimes persons who are discreet persons, or are thought by the local committee to be discreet persons.

12,778. Are they members of the society?—Not always.

12,779. Are they paid?—Yes.

12,780. How much?—The amount varies according to the locality, the distance they have to travel, and so on.

12,781. You make an allowance, I suppose, to the different local committees for the amount they can spend on sick visitors and secretary?—Yes.

12,782. Do you tell them in advance "This is the amount you can spend"?—We give them an amount, and they have to keep their expenditure within that amount.

12,783. What is the amount?—1s. 6d. per annum per member in each area.

12,784. That does not include any book-keeping?—No.

12,785. That is all done at the head office?—Yes.

12,786. Is the whole 1s. 6d. spent in every case?—Yes. We have no knowledge at all as to how it is spent; that is to say, if they spend more on sick visiting, they have less to spend on their other duties.

12,787. You know what the secretary is paid, for example, in every case?—No; we leave that entirely to the committee.

12,788. But you get a report?—No.

12,789. They must vouch for the 1s. 6d. in some way?—They simply send us a receipt for the 1s. 6d., and that has to be distributed to the administration of the National Health Insurance Fund.

12,790. That will not do for the auditor, will it?—I do not see what else you can get.

12,791. I should have thought that a receipt for the secretary's salary could have been given?—In some instances it is a difficult matter; in some instances the secretary gets nothing.

12,792. Then you could not get a receipt for it. But where he does get something, I cannot see what obstacle there is to getting a receipt?—Where a local secretary has other duties, for instance, it may be difficult to determine what proportion of his time has been spent upon this particular purpose, and what proportion has been spent upon some other purpose.

12,793. Have the auditors, in fact, audited your accounts?—Yes.

12,794. Have they raised any point on them?—They asked how the money was distributed, and so on; we gave them full information, and they were perfectly satisfied.

12,795. Did they not ask you how the 1s. 6d. had been spent?—We gave them the information in certain instances where we had it.

12,796. I should imagine that it might easily cross the mind of some member to move for a return of what was being spent on sick visiting, for instance?—We could not tell you that, in some areas. We could get it by inquiry, of course, but in our opinion the information would not be worth the effort that it would require to get it.

12,797. I cannot understand why it should be an effort?—In some instances the secretary is not being paid a specific amount.

12,798. But what about sick visiting?—Sick visitors are paid in some instances so much per visit; in other

instances they are paid 2d., 3d. or 4d. per member for the whole of the members in their area. That sum would be divided into four equal parts, and they would be paid one-fourth each three months.

12,799. What is the difficulty in getting a receipt for it?—I do not know that there is any difficulty in their giving a receipt.

12,800. Or in finding out how much it is?—Except that it varies so much, and we should have to make inquiries of 1,200 different local committees.

12,801. You cannot tell me really what sick visiting is done?—Yes. Every person is seen, not always every week, but generally every week.

12,802. How do you know that that is so?—Because the person visiting must sign the payment form at the back of the receipt. On the back of the receipt, when the payment is made to the member, there is a sick visitor's report in every case.

12,803. I thought the secretary paid the money weekly?—Yes. I had better give you one of the forms; that will make the matter clearer. (*Form handed in.*)

12,804. When is this form filled in?—Before the document is returned to us, and these documents are returned to us each week for the preceding week.

12,805. Where is that filled in?—Very frequently at the office of the society after the money has been paid; in other cases by the person immediately after the visit to the patient.

12,806. Who visits the men—the secretary?—Yes.

12,807. He has to get round to all the men?—Not necessarily.

12,808. He must to fill up this form?—Not at all. Whoever goes signs that document.

12,809. Once in the course of the sickness?—No; every week.

12,810. Who is there besides the secretary? I understood you to say that the secretary visited the men, and women visitors visited the women?—The secretary is not the only person to visit the men. In some cases the secretary does not visit. There are persons appointed in nearly every area, and mostly apart from the secretary, for the purposes of visitation, and when they visit, they fill up this form, which is handed in to the society, and comes to us every week in the following week.

12,811. Does it go back again?—No; we keep it.

12,812. This form is for finally declaring off?—Yes; that is for the last week only, of course.

12,813. There is a similar one for each continuing week?—Yes.

12,814. Your rule says that the local committee shall receive the notice of sick claims, examine the same, see that the visitor visits the sick member once every seven days, and signs the sick form showing the date of the visit, and reports to each weekly meeting of the local committee full particulars of the condition of the person when so visited?—They do that. The secretary takes these amongst his report to his local committee.

12,815. Do you know what sort of report he makes?—He reports that he has had so many persons on benefit, that he has paid their sickness benefit, that they are progressing satisfactorily or otherwise. Some reports are given in greater detail than others.

12,816. All the time the thing that really matters is going on at the head office without his knowing anything of it at all?—This is for the purpose of checking any improper claims, and the local committee deal with these things. If there is any reason for their calling our attention to anything, they do so.

12,817. But the real business is done quite apart at the central office?—Yes.

12,818. You do not really attach very much importance to sick visiting?—Yes, we do; we attach very much importance to it.

12,819. All you have got from the sick visitor is this little entry at the bottom of the form, in which the sick visitor fills in the date of the visit, where the member is seen, the state of the member's health—he can only say good, bad, or indifferent; there is not room for more in the space allotted—and "other remarks, if any"?—Yes. But this is not the only

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report we get. In a case of any doubt at all, we ask him for a special report by the sick visitor.

12,820. And the sick visitor has to make a special report?—Yes, he pays a special visit. The sick visitor visits not only at the time when payments are made; he has really to visit at other times.

12,821. How often?—I cannot tell you, but not more frequently than twice a week I should imagine, unless we sent a request for information.

12,822. The sick visitor never comes into touch with the doctor for inquiries?—No.

12,823. Nor does the local secretary?—No, never.

12,824. About workmen's compensation and misconduct, the sick visitor writes straight to the head office?—If we require a special sick visitor's report we write to the local committee, and the local committee determine who shall make that visit, and get the report and send it on to us.

12,825. With regard to misconduct you have told us a good deal. But supposing he is the first person to find out that a disablement case is, or may be, a compensation case, what does the sick visitor do?—We do not leave that to the sick visitor at all, unless the sick visitor comes across some case where we have authorised payment, and he has reason to believe that it is due to some accident.

12,826. How do you find it out?—We send a special form to the person himself. In every case where we have reason to believe —

12,827. What causes the reason? What first makes the thought spring up in somebody's mind, "This is an accident"? You do not scrutinise every case to see if it an accident case?—Yes, we do, every single case.

12,828. In the method you have described?—Yes.

12,829. When one of the clerks thinks "This is worth pressing a little bit further," what makes him think it worth pressing a little bit further? If he sees that a man is suffering from a broken leg, of course he thinks it is an accident; but, apart from that?—In the first instance, it is always upon the doctor's certificate. If there is no reason to believe that it may be caused by an accident, and no other query crops up, we authorise payment.

12,830. And nothing more happens?—Nothing more happens, unless the local committee, or the local secretary, or the local sick visitor draws our attention to it upon the sick visitor's report.

12,831. That is a green paper that you have?—Yes. This report comes to us every week, and is scrutinised every week. It is not simply a formal matter. The red form is used in cases of accident. The continuing form is a yellow form in cases of accident. If a green form is used, and the clerk sees anything on the sick visitor's report that would indicate an accident, he would naturally want to know in his own mind why it was on a green form, as the green forms are used for sickness.

12,832. Does the sick visitor say, "I have been to this man, and he is really suffering from a cut and cannot work"?—Very often he will put in his report, "Member says sickness was caused by so and so."

12,833. Is it the sick visitor's duty to find that out?—No.

12,834. Whose duty is it?—It is not anyone's duty other than the clerk who passes the claim in the first instance.

12,835. He is a man who never from start to finish sees the member at all?—That is so.

12,836. He never sees the doctor?—No.

12,837. All he sees is this piece of paper?—Yes.

12,838. Whose business is it to go and see whether a man is suffering from anything which might give rise to a claim?—No one's, except in the case when a visitor is visiting a person, and something arises. His specific duty is to satisfy himself that the person is entitled to the benefit. This is the specific duty of the sick visitor.

12,839. Rather than to see whether he is keeping the rules?—Yes. Before the payment is made, the instructions are that he is to satisfy himself that the person is entitled to the benefit. For instance, a person might be incapacitated, and get a doctor's

certificate dated for the Monday. On Friday, when the sick visitor calls, the man may be at work.

12,840. Suppose that, instead of the matter coming up like that, somebody—as must be the case often—knows in fact that so-and-so was in bed from an accident, because he was in the works and saw the accident happen; does that information ever reach you?—Yes. We have had cases of that kind, in which men on the local committee, when the case has been reported at the end of the week, have had some personal knowledge of it, and have said, "That person has had an accident," or "He was in our works," because these members of the local committee are in some instances working in the works where the sick persons were.

12,841. Some of these people are your own employees?—Yes.

12,842. What happens in those cases?—In those cases we send the appropriate form, and get to know exactly the reason of the incapacity. In a case of that kind, where it is doubtful, we call upon our own directors as employers to pay compensation.

12,843. Where you call upon them to do it, do they do it?—If they do not, we sue them for it.

12,844. Have you ever enforced it?—Yes.

12,845. Did you succeed?—Yes.

12,846. Have you any branch in the pottery district among the lead workers?—I cannot say whether we have any members who are lead workers.

12,847. Have you any cases where you have taken proceedings or caused insured people to take proceedings for industrial disease compensation?—Yes.

12,848. Where were those cases?—There was a case of lead colic at Ramsbottom in Lancashire.

12,849. Did you cause the member to take proceedings under the Workmen's Compensation Act against his or her employer to recover compensation in respect of industrial disease, namely, lead poisoning?—Yes.

12,850. Who first drew attention to the fact that the member was so suffering? How did the matter come up?—We sent a form to the member.

12,851. What made you send the form to the member?—The wording of the certificate.

12,852. It was certified as a case of lead-poisoning?—No, it was certified as colic.

12,853. What was the member's claim?—Form B, accident form, was sent to the member.

12,854. What made you send the B form?—The nature of the person's employment. He was a labourer in plumbing.

12,855. Going on from that, I should like to ask you about medical referees. I understand from what you have hitherto said that you have not, in fact, up to now employed medical referees, have you?—We have occasionally done so, but only very rarely.

12,856. When you decide to employ them, who decides?—The central office.

12,857. Have you particular people that you employ?—In certain areas we should ask the local committee to give us the names of suitable persons, not necessarily within their own area, but in adjacent areas.

12,858. Then you pay a fee?—Yes.

12,859. What fee have you paid?—5s.

12,860. In every case?—Yes.

12,861. Do you pay the expenses of the insured person going to the referee?—We have never asked them to go any great distance. We have not paid any expenses.

12,862. Can you give me figures to show in how many cases you have gone to referees?—I am afraid that they are so few that it would not be of any real service.

12,863. Or what the result of their going has been?—Generally the result has been that we have declined payment. We do not call in a medical referee until we are pretty well convinced that the case is one that ought to have discipline exercised upon it.

12,864. Would you like a general system of medical referees throughout the country?—That is a difficult question. It certainly would be advisable, provided the Commission are prepared to pay for it. So far as

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our own society is concerned, it would not be a desirable thing for us to go to any very great expense, because the vigilance of our administration is usually sufficient to check at any rate glaring cases of malingering.

12,865. Do you think that there would not be any saving to your society in consequence of employing them?—I think that there would, but I do not think that the saving would be of such a character as to warrant any very great expenditure.

12,866. If there would be a saving, it would justify some expenditure, would it not?—Yes.

12,867. It is only a question of how much, is it not?—Yes, the only point is as to whether it would be a very satisfactory arrangement having regard to the cases where doctors find a difficulty in exercising that discretion which under other circumstances they would have exercised. There is a certain amount of obloquy resting upon a doctor, when he exercises his judgment, and tells persons that it is time they were at work.

12,868. And if he had someone to send the member to, he would get out of the difficulty?—That is so.

12,869. You think that there would therefore be a saving?—There would.

12,870. If there were to be medical referees set up generally, we gather that you prefer that they should be appointed not by associations or societies or anything of that kind, but by some outside body?—If they were paying for them, yes.

12,871. We will come to the payment in a moment. Which would give the best results, the appointment of medical referees by societies joining together to do it, or their appointment by some outside body?—I should think by some outside body.

12,872. And if an outside body, what outside body?—The Commission.

12,863. Why?—Because I think that they would be regarded as having in view the administration of the Act from a purely impartial standpoint.

12,874. Would you think that that would not be the case if they were appointed, for example, by the insurance committees?—No. I do not think for a moment that the insurance committee is the right body to appoint them. It depends, of course, on the areas. In some areas there is an undue preponderance of weight given to certain representatives, and it is not always, and particularly in large areas, the insured person who has that preponderance of weight. I will put it another way. In large areas, county areas particularly, the meetings are held at times which are inconvenient to the representatives of insured persons. Consequently very frequently important decisions are taken when the majority of the representatives of insured persons are not present.

12,875. That is a general criticism of insurance committees?—That is so.

12,876. Therefore you think that they ought not to be given this power of appointing doctors?—I do.

12,877. As to payment, by whom do you say that they ought to be paid?—The Commission.

12,878. The Commissioners have not money in their pockets?—They could get a grant from the Treasury.

12,879. Why should the Treasury make a grant?—Because it is always a safe thing to ask for that.

12,880. But you have to give some reason why it should be granted?—I believe that there would be much greater satisfaction. We should not have the friction.

12,881. Of course everyone would be satisfied if someone else paid, but I want some reason why they should pay?—I consider that the approved societies ought not to be asked to bear an improper proportion upon their funds, and that is undoubtedly what they are doing at present.

12,882. What do you mean by improper proportion?—An improper proportion of sickness benefit. That ought to be stopped, and I think that the system of medical service ought to be adequate to check cases of that kind. Formerly that was done, undoubtedly, by correspondence or interview between the doctors and the approved societies. Where you get a body appointing who have to pay, then you can get something like reasonable treatment in the sense that you are able to exercise some amount of discretion in

pointing out to the doctors cases that ought to receive careful attention. At the present time there is resentment in many quarters if you suggest anything of the kind.

12,883. What you are saying now is that the doctors are not sufficiently controlled, is it not?—That is so.

12,884. What I am asking you is why should the Treasury, that is, the general taxpayer, have to bear this particular expense? It is always said that the general taxpayer may rightly be called upon to bear expense that anyone wants incurred, but you have to show cause, if you want to put the charge upon the Treasury, why it should be put upon the Treasury?—Because I believe that the present arrangements under the Act tend to cases of this kind.

12,885. Is that any reason why the finance of the system should not bear the expense?—The system has been set up by Parliament, and in this respect I believe they have made a mistake, and you are asking that the insured persons themselves should bear the financial burden of that mistake.

12,886. The insured person makes a contribution, the employer makes a contribution, and the State makes a contribution. These things are put together, and out of that a certain amount goes to administration, a certain amount to the doctors, and a certain amount to sickness benefit, roughly speaking. The societies apparently claim that more is being charged to sickness benefit than ought to be?—That is so.

12,887. It is suggested that one means whereby they can control that would be by the appointment of medical referees. Then they say: "It would be desirable to have medical referees, but you must pay for them"?—It is usually the case that the person who makes the appointment should pay the piper, and the Insurance Commission, if they appointed, would of course have control. The advantage of that would be that the referee would be an impartial person to whom to appeal.

12,888. I know he would. You are first saying the Insurance Commission ought to appoint because they ought to pay, and then that they ought to pay because they have the privilege of appointing. I want to know why all this should not come on the funds?—I do not think that they were meant to bear it. That is not my view of it.

12,889. Surely any ordinary reasonable expense in connection with administering sickness benefit ought to come out of the general finance of the Act *prima facie*, ought it not?—I agree, and I agree also that there is sufficient already paid for that to be done.

12,890. Then why should some more money be found?—Because we find that the administration is not efficient.

12,891. Whose fault is that?—Personally, I think it is to a large extent the fault of the doctors, and, secondly, it is the fault of the system.

12,892. Why should not this be charged to the medical benefit fund, if it is the doctors' fault?—I do not think for a moment that such a thing is practicable.

12,893. Does it not really come to this, that you may as well put it on the taxpayer? The doctor will make a row, the approved society will make a row, and the taxpayer will not?—I think it is the line of least resistance. I wish to say something about compensation cases. With regard to section 11 we are informed by the Irish Insurance Commission as to what our duties are in case of accident. We are told that we should in every case see not only that compensation is claimed or recovered, but that the amount of the compensation given is commensurate with the circumstances of the case. We are also told that the approved society should on receipt of a copy of an agreement lodged in the county court, lose no time in satisfying itself as to the genuineness of the agreement and the adequacy of the sum fixed. Should exception be taken to the agreement, the society should take steps to see that a minute stating the ground of objection is lodged without any delay with the registrar of the county court. Following upon that recommendation of the Commission we scrutinise very carefully every agree-

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ment that is sent to us, and that has been lodged for the purpose of recording, and where the circumstances warrant it, we lodge a minute of our objection. In a case in point, which I think I had better refer to, we lodged an objection against an agreement for a man, who was stated in the particulars filed at the county court—we had no knowledge of the case before it was placed in the county court—to be partially incapacitated permanently, and the difference in his wages was 8s. per week. Notwithstanding the fact that the man was only 38 years of age, and that he was likely to be a sufferer to the extent of 8s. a week throughout his life, the employer offered a sum of 20l. That appeared to us on the surface of the particulars filed—we had no other information—to be a totally inadequate sum. As worked out according to the Post Office annuity tables, 144l. 8s. was the amount that ought to have been paid. The man agreed to accept the 20l., the agreement was filed at the county court, and a copy was sent to us. We objected. Immediately the employer went to the judge, and forced us into the position of defendants, and asked the judge to register the agreement notwithstanding our objection. The result of that was that the judge tried the adequacy of the sum, rather than the propriety of our objection.

12,894. That is what he has to do, is it not? What else could he try? That is the question before him?—The position is this. Here are particulars filed in the county court. They are not denied by the employer. They are agreed to by both parties, and here we come in, not knowing anything of the circumstances, and within seven days we have to make up our mind what to do. Obviously we have no opportunity. We are placed in a very false and improper position.

12,895. Why? I do not quite see?—For the simple reason that we have to take exception within seven days, and that may necessitate a considerable amount of enquiry, if we have to ascertain the adequacy or otherwise from any other source that the particulars filed. But the filed particulars are sufficient to justify our objection.

12,896. What happened in this case?—The judge found that the 20l. was adequate.

12,897. What were the facts that you did not know, and that he did know?—That it was not permanent partial incapacity.

12,898. I should have thought that you could find that out without trouble?—How is it possible for us to do that when the employer and the workman agree that it is a permanent incapacity, and the doctors make no objection. I do not know that they are in a position to make an objection, but the net result to us is this, that we are having to pay costs, and the costs amount to 24l. 18s. 8d. simply for doing what the Commission tell us we ought to do. We do not start the litigation. We are only defending the funds.

12,899. In order to defend the funds, you are taking part in a legal proceeding, and someone has to pay the costs?—Which the Commission call upon us to do.

12,900. You do not suggest that the Commission should pay?—No.

12,901. The point is this. You are put there to defend your funds. In order that you may defend your funds, you are given entry into the county court on this agreement. It must follow sometimes that you go into a county court quite honestly, and make a mistake, and when you do that it is not unnatural that you should have to pay?—Why should they put upon us, when we are not in a position to determine within anything like seven days, the obligation of taking this action?

12,902. Why should you not rather have the privilege of protecting your funds? I should have thought that it was an ordinary business precaution to take, and you took it at your own risk, as every one does?—Could not we expect that the particulars filed at the county court, agreed upon by both parties, should be correct?

12,903. You are discussing a case about which I know nothing. I thought that you were taking a general objection. If you are taking the general objection on the ground that this will sometimes involve you in costs, I cannot see how any system which gives you a

foothold in the county court would help you. Someone has to pay, and if you take people there wrongfully, it is not unnatural that you should pay their costs. Approved societies do not ask to be put in a privileged position against the rest of His Majesty's subjects?—Previously they were in a privileged position under the Friendly Societies Act.

12,904. Not as against a third party. What you have done here, in honesty and good faith, is to drag this man and the employer before the county court, and it turned out that they were right and that you were wrong?—Prior to the National Insurance Act employers, and the insurance companies behind the employers, would not contest a claim, because very often a man would go into the county court, and if the employer won, he could not recover his costs.

12,905. Why could he not recover his costs?—Because the workman has nothing from which to recover.

12,906. The whole point of section 11 is to see that there is a society which has got money and can take these proceedings, which individual insured people cannot take because they are too poor, but they have to stand the risk of it?—But prior to the National Insurance Act an employer would acknowledge a claim, if there was reasonable probability for believing that it was a case of workmen's compensation. Now they are inclined to contest the very same claim.

12,907. That is another point altogether?—The point I desire to draw attention to is that under section 11 we have the obligation placed upon us to scrutinise these agreements, and as a consequence of that it has caused many more cases to be contested than would otherwise have been the case—contested from the employers' point of view.

12,908. I cannot see how it can have that effect. I can understand that it will have the effect of revising a great many agreements?—On the other hand, I have reason to believe that we have a number of cases contested, which would not have been contested in the old days.

12,909. We are not talking about contested cases at all. You are bringing up an agreement case before us. I do not understand what contested cases have to do with it?—They have a very great deal to do with it.

12,910. This is a case in which the workman and the employer agreed to settle for 20l. You thought that that was not a sufficient sum, and you therefore went to the county court and said, "Do not register this. Do not let it stand against the workman." When it has got to the county court, it turns out that you did not know something, and that you dragged them there wrongly, though rightly from your point of view, and you had costs against you. What has that got to do with contested cases? The whole essence of the case is that it was an agreed case?—Before it gets to a question of agreement, by reason of the fact that section 11 is in the Act, employers are inclined to contest it. Previously there was no fund from which they could draw their costs, but now there is a fund from which they can draw their costs, and the tendency is to resist claims that formerly were admitted.

12,911. What is the fund from which they can draw their costs?—The insurance funds of the various societies.

12,912. But the approved societies are not bound to take action on behalf of their members?—No, but if they do not, they stand to pay a good deal that the employer ought to pay.

12,913. In how many cases under sub-section 2 of section 11 have you taken proceedings in the member's name, and pledged your funds?—None.

12,914. Then what is the point of the complaint?—We are trying to get at the increase in the sickness experience. There is a liability to increase in consequence of the resisting of claims for workmen's compensation.

12,915. The instance you are giving me is an instance where the man did not resist the claim?—We have the greatest difficulty in inducing a person to claim compensation from his employer, and of every 1,000 claims we have, 50 are found to be compensation cases. That

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is a very fair proportion, and if there is going to be a greater tendency to resist, you are bound as a consequence to suffer in either case. If you take an objection and lose, you suffer, and if you do not take objection and pay sickness benefit, you are bound to lose.

12,916. I am afraid there is really a misunderstanding between us. We are not taking the same view of what the section says. It says two quite distinct things. Firstly it gives you a right to intervene where an agreement is going to be registered in a county court. It gives you the right to go to the court, and say, "This agreement does not give the man enough." You appear to be talking about that class of case?—I see now that my answers refer to quite a different thing.

12,917. There is a second thing which is different altogether. Section 11 gives you also the right to say, "Apart from agreement, we are going to take proceedings in his name." How can it be that either of these things increases the inclination of the employer to resist? I can quite understand your saying that the employer is more likely to resist, because the workman is more likely to submit, knowing he can get the money out of you, but I cannot see how section 11 increases that liability?—The fact of its existence at all I think does, though not so far as the agreement is concerned. So far as agreement is concerned, that is usually come to before the approved society is informed that there has been an accident even.

12,918. I know. Then you have an opportunity of stepping in and saying, "This shall not be registered."—And you have to do it so quickly that, if you have not the information before you, you have little opportunity of getting at the facts of the case sufficient to warrant you in going to court.

12,919. If you say that the period of seven days in the county court rules is not enough, that is quite a specific point, but that is a very minor detail, and I think there is another way of doing it. You might write to the Commission and ask them to use their influence and get an alteration in that. I want to know how, being given the power to intervene on that can possibly have the effect of inducing an employer to resist claims?—That was not quite my point, except in so far as they know that there is now a society behind the man.

12,920. That would make me, if I were an employer, more and not less frightened?—On the contrary, whilst there has been a society usually behind the man previously, it has not been a society whose funds could be attached.

12,921. You cannot attach the society's funds?—Precisely, but in the case of an individual who has no funds, or very little, the inclination of course is not to resist it, if he is going to take the matter into court.

12,922. (*Dr. Fulton*.) In rule 11 (24) of the rules of your society, you have a rule dealing with misconduct, which has troubled you a good deal evidently. Do you realise that that rule is considerably stronger than the provisions of the Act?—I think that section 14 (4) of the Act only relates to the question of medical benefit. It does not relate to the payment of sickness and disablement benefit. It simply says that where sickness benefit is suspended, medical benefit shall not be suspended.

12,923. On what ground does the Act say it should be suspended?—The Act does not say upon what grounds at all. It says that the society shall make rules, and the society has the power to make the rules, and this is the rule that they have made.

12,924. And this rule was passed by the Commissioners, was it?—Yes.

12,925. You appreciate that a person may have venereal disease not due to his own misconduct?—I do.

12,926. And although it is not due to his own misconduct, you would not pay on it?—No.

12,927. Are you aware that this rule goes beyond the rules of most of the societies dealing with this subject?—I cannot say that I am. I have not compared many of the society's rules, but this rule is based upon

what has been my practice for a great number of years in another society before the Act was passed.

12,928. That whether the venereal disease was due to the person's own misconduct, or to the misconduct of someone else, you did not pay?—That is so.

12,929. You say in your outline of evidence that doctors were not aware of the requirements *re* misconduct. Do you mean that they were not aware of your requirements *re* misconduct?—Yes, and they were not aware of the requirements of the Act.

12,930. What are the requirements of the Act with regard to misconduct?—To distinguish both as to misconduct, and also as to compensation. We have had cases of both kinds.

12,931. Your rule states that a doctor practically should not give a certificate in case of venereal disease?—The doctors tell us that they will not give a certificate in case of venereal disease, and yet they do. They ask us to rely upon their word that they will not issue such certificates, and yet they do.

12,932. Do you mean that individual doctors have told you that?—Yes. We cannot rely on the reported statements by medical men, that they would not consider it honourable to issue certificates in case of misconduct.

12,933. Why should it be dishonourable?—That is their view.

12,934. What particular doctors do you refer to?—Certain individuals who have indicated it to us in one way or another, when we have questioned a certificate. They say, "The very fact that our certificate has been granted is sufficient for you. We would not have granted it, if there had been misconduct."

12,935. Do you mean that they give a certificate for a disease which is not ordinarily due to misconduct, and at the same time they are covering a disease which is due to misconduct? Is that your charge?—No, the statement is that there are cases where a disease may be due to misconduct, and very frequently is due to misconduct, and the disease is stated upon the certificate, and upon inquiry from the doctor as to whether it is in fact due to misconduct or not, we are told that the very fact that they have issued a certificate is sufficient, and that they would not have issued such a certificate, if it had been a case of misconduct.

12,936. How is any doctor to tell, in the case of a married man or woman, whether a disease is due to their personal misconduct or that of their partner?—There are cases, I presume, when they can tell from the particular nature of the disease, but if it comes within the doctor's knowledge, my contention is that we ought to be told upon the certificate, and if a certificate is issued under such circumstances to the insured person, it rests upon the insured person whether he claims benefit upon it or not.

12,937. You mean that if a man comes to me suffering from venereal disease, I am to say, "Suffering from gonorrhoea due to his own misconduct"?—No, because "gonorrhoea" in itself is in our opinion quite sufficient.

12,938. But he may have got it from his wife?—Possibly.

12,939. That is to carry out your rule, but this is not the rule of most societies?—Of course I am dealing with the rules of our society.

12,940. But you are bringing a charge against the doctors as a whole who have to deal with all societies?—That is so. That is to say, they cannot possibly, nor do we expect them to, know the varying rules of societies. All we ask is that when it is within their knowledge that certain incapacity is due to misconduct they should plainly say so.

12,941. Have you issued a circular to all doctors?—Certainly not.

12,942. How do you ask them?—When a case occurs we make inquiry from the doctor.

12,943. And do you ask him that, if in his opinion the illness is due to misconduct, he should say so?—Yes.

12,944. And you throw the onus upon him of proof whether it is due to misconduct?—I do not know that I should throw the onus of proving it. They can only state what is their opinion.

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12,945. Supposing I attended one of your members. Suppose it was a married woman, and I found her suffering from gonorrhoea and gave a certificate to that effect, and you wrote to me and asked me if in my opinion this was due to the woman's misconduct, and if I wrote to you in reply, and said that in my opinion it was due to her misconduct, what would my legal position be in the matter?—I do not know. I am not a lawyer.

12,946. Would you expect me to take the risk of making a libellous statement like that, which I could not possibly prove in any court of law?—If you give a certificate and will add "not due to misconduct," that is all we desire. Where it is due to misconduct, there is no need to say anything.

12,947. So that if I had the honour of attending a patient, and found him suffering from a very bad headache which might be due to syphilis or to over-indulgence in alcohol, or something else, and gave him a certificate as suffering from headache not due to misconduct, that would satisfy you. Would he like me to do that?—I certainly do not think that you would give a certificate of incapacity for headache at all.

12,948. Why not?—Because it is such a frivolous thing.

12,949. Do you find it so?—I do. For instance, a headache may very frequently be due to constipation.

12,950. It may also be due to cancer on the brain, or abscess on the brain, which you might not be able to discover?—We should have to have full proof of incapacity in such a case.

12,951. To say "not due to misconduct" is rather an insult, is it not, to a respectable man? What would your average member say to the doctor if he signed a certificate like that?—If he has any doubts about signing a certificate to that effect, and will let us have such a certificate direct, we will keep it quite private, and indeed, some doctors are good enough to do that.

12,952. What would be the average attitude of a respectable man or woman if you signed her suffering from some disease and added, as prescribed, "not due to misconduct"?—I should think he would think you were carrying out the duties imposed upon you in a very efficient manner.

12,953. In the first case that you gave us last week,* was the patient a married or an unmarried woman?—Unmarried.

12,954. Your complaint is that the doctor let it run on a great many weeks, before he told you it was syphilis?—Yes.

12,955. Have you considered the difficulty of diagnosis in the case of roseolous rash, and the difficulty which any medical man would have by ordinary methods of diagnosis, in saying whether it was due to syphilis or not?—I do not know of any difficulty in this case.

12,956. I put it to you that syphilitic rash is frequently very difficult to diagnose by ordinary methods of diagnosis?—I am not sufficiently acquainted with medical diagnosis to say.

12,957. But the upshot was that the doctor did tell you that it was due to syphilis. He was afterwards in a position to make up his mind on the subject?—Yes, and the very fact of our sick visitor making up her mind, in my opinion, justifies the impression that the doctor had very good reason to suppose that it was so even before we asked the question.

12,958. Of course there are different ways of contracting it. For instance, a girl may have been kissed by someone suffering from syphilis, and contracted the disease. Would you consider that misconduct, and stop payment?—Yes.

12,959. When did you get the information from the doctor?—After 19 weeks. We actually paid for 19 weeks.

12,960. In the second case you gave last week a married woman was suffering from catarrh and stomatitis, and after 20 weeks the doctor certified the case

as syphilis.* Do you think that he was in a position definitely to make up his mind that this was syphilis before the 21 weeks?—I do.

12,961. What reason have you for forming that opinion?—The doctor himself told us that he was ignorant of the fact that a claim could not be made under such conditions.

12,962. In your society?—In any society.

12,963. Why did he have that impression?—Because he did not know the Act.

12,964. What does the Act say?—The Act, of course, debars misconduct.

12,965. Could not a man have syphilis without misconduct?—I suppose it is possible.

12,966. Is it not very probable?—I do not think so.

12,967. Do you think that usually a married woman contracts syphilis by immorality?—I should say so.

12,968. The third case was that of a married man aged 43, certified as suffering from hernia and varicose veins caused by lifting.† You sent the case to a medical referee who certified him as suffering from hernia, varicose veins, and varicocele?—No, the medical referee did not suggest that he was suffering from hernia at all. The medical referee suggested that he was suffering from varicocele, the result of misconduct.

12,969. The medical referee's certificate stated that this varicocele was due to misconduct?—Yes.

12,970. (Chairman.) Will you read the certificate?—"Re J. H. His condition is due to misconduct." It does not give varicocele. The other doctor said varicocele and hernia.

12,971. Is that absolutely all that he says about the case?—Yes.

12,972. (Dr. Fulton.) He did not say whether he was suffering from hernia or not?—No.

12,973. He did not contradict the certificate?—The other doctors did. The doctor that the man consulted, and the doctor that the employer consulted said that there was no such thing as hernia, and that there never had been.

12,974. Was that before your referee examined the man or afterwards?—Before.

12,975. Had he these certificates before him?—Yes. 12,976. Then take the next case, suspected adenitis.‡ Did you stop payment in that case?—We did not authorise payment in that case at all.

12,977. Did you have him examined by a medical referee?—No.

12,978. You simply stopped payment because the doctor made no reply to your inquiry as to whether it was due to misconduct?—Yes.

12,979. Did you give the man the right of any appeal to another medical opinion?—Yes, he always has that right.

12,980. Is that under your rule?—We received information from our sick visitor stating that it was most probably due to misconduct.

12,981. What ground had the sick visitor for making that statement?—I cannot tell you.

12,982. Take the fifth case,§ did the medical referee there say that orchitis was due to gonorrhoea?—To gonorrhoeal infection.

12,983. In the sixth case you gave, a man was certified suffering from cystitis.|| Why did you not pay on that case?—Because when we made inquiry from the doctor he stated that the person suffered from stricture caused by gonorrhoea.

12,984. Did he say how long previous to this date the gonorrhoea had been there?—No.

12,985. Did he give you any idea as to how long it was?—No.

12,986. Have you personally any knowledge of how long it is after gonorrhoea is contracted before stricture occurs?—I have not.

12,987. If you had known that it would certainly be many months afterwards, and probably some years after that, before it was a case of cystitis, would you have revised your position and paid the man?—No.

* Question 12,274.

† Question 12,282.

‡ Question 12,363

§ Question 12,311

|| Question 12,313.

* Question 12,269.

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12,988. (*Chairman.*) Do you say that? Look at your rule?—In that case we should have charged him with withholding information from his application form.

12,989. (*Dr. Fulton.*) So that any member of your society who has ever had any venereal disease is not safe in getting payment for a whole range of diseases, because some medical referee may say that they are due to some previous misconduct?—Not at all. If the member has any reason to doubt the doctor's statement, he has a remedy. He can produce other evidence.

12,990. (*Chairman.*) You have not followed what Dr. Fulton has put to you. He puts it to you that there is a state which is produced after at least more than 12 months from the time of the venereal disease, and then he says, having regard to the fact that your rule limits the penalty in a sort of sense to 12 months, would you not have paid?—Yes, if it has been outside that period, but I have no personal knowledge of that.

12,991. He asks you to assume that?—Accepting the position, of course we should.

12,992. (*Dr. Fulton.*) Did you ask the medical referee whether it came within the 12 months?—We did not.

12,993. Do you think that you did justice to the member in not doing so?—Yes, we had no knowledge to lead us to believe that it was of long standing.

12,994. With reference to the next case which you gave, certified as orchitis, the referee said that it was due to gonorrhœa, caused by venereal disease?—Yes.

12,995. He did not say how long previously venereal disease had taken place?—He did not.

12,996. I put it to you that it may have been due to syphilis contracted two or three years previously?—If you say that it might, I cannot deny it.

12,997. There again you did not ask the medical referee if he could form any opinion whether it came within the 12 months or not?—No.

12,998. And you stopped the man's payment?—We did.

12,999. Was he a married man?—I cannot tell you. I have not that information.

13,000. Then the next case was that of a man suffering from gleet; * you do not know what length of standing that was?—No.

13,001. You know that that is a disease which runs for a very indefinite period?—I have no personal knowledge of the kind.

13,002. That is not in your medical dictionary?—I have not looked it up. It certainly is not in this small one. Of course we have larger ones.

13,003. What dictionary do you use for these inquiries?—We use the extended one.

13,004. May I ask by whom it is published?—I forget at the moment.

13,005. Who are the authors?—It is a guinea book.

13,006. There is one other case; a man with spinal sclerosis, whom you paid for 11 weeks.† You stopped benefit in that case because of false declaration, did you not? What complaint have you to make about the medical certificate in that case?—We have no complaint whatever to make of the medical certificate. The doctor was very good to us in that case.

13,007. I thought that these were all cases in which you had some complaint against the certification?—No, I was pointing out in that case the improper application for medical benefit. These were not submitted as cases where the doctor's position was in question.

13,008. I thought that they were part of your complaint about their certification?—That was a case where we proved the person to be working during the period.

13,009. So that that has nothing at all to do with the nature of the disease stated on the certificate?—No.

13,010. So that your position with reference to all these diseases due to misconduct is that if the condition which throws the person on to your fund is due to an indiscretion within 12 months previously you do not pay?—Yes, that is so.

13,011. But if it is more than a year previously, you do pay?—Yes.

13,012. So that in the case of a person with syphilitic tumour on the brain of 10 or 11 or more years of infection you would pay?—Yes.

13,013. Supposing that you got a certificate for "cirrhosis of the liver," you would pay on that?—No, because it would be due to the person's drinking habits in all probability.

13,014. The man might have very regular drinking habits, but never be incapacitated from work?—That might be so, but the effect of the soaking he had from time to time would be the cause of the disease.

13,015. Regular soaking you would consider misconduct?—I do.

13,016. Supposing a man was certified to be suffering from gout, would you pay?—Yes.

13,017. Supposing it was a second attack of gout, and that after the first the doctor had told the man that he must not either drink or eat much meat, would you pay then?—No.

13,018. So that in your society one has to live very temperately?—If a person wishes to have benefit out of the National Insurance Act, he is certainly not expected to make himself ill by excesses.

13,019. Supposing a man took two or three glasses of port wine a day, would you call that excessive?—It depends upon the man.

13,020. So that you would pay the man who could stand it, and you would not pay the man who could not stand it?—We should have to regard each case upon its merits.

13,021. In the outline of your evidence you say that persons have actually been at work at the time of declaring on the fund. Did you sometimes have the same experience in the old days, when an official of a friendly society?—Never.

13,022. How do you account for it now?—Because there is not the same careful inquiry now in relation to individual cases that there was formerly.

13,023. By the officers of your society?—No; speaking generally and broadly, there is not the same inquiry by the doctor that there was formerly. There is not the same careful diagnosis.

13,024. Here you state that in some cases persons have actually been at work at the time of declaring on the fund?—Yes.

13,025. Is that a new experience altogether?—Absolutely, so far as I am concerned.

13,026. Does it not rather suggest a want of supervision on the part of your visiting staff?—I think not; we have a very efficient system.

13,027. How long have they been on the fund before they have found that they have been at work?—They did not receive any benefit at all. We found it out before any benefit was paid.

13,028. Your point is that a man or a woman goes to a doctor, and gets a certificate to say that he or she is incapable of work, and then goes straight away to work?—Yes.

13,029. Did you find that in these cases the doctor had prescribed for them?—I presume so, but I do not know definitely.

13,030. Do you think that the certificates are given in good faith?—Generally speaking, I should say yes, but given without sufficient care being exercised to ascertain whether incapacity actually existed or not.

13,031. For what sort of disease did they usually certify?—Muscular rheumatism.

13,032. I put it to you that in a case like that the insured person would go to the doctor and complain of severe pains of the muscles of whatever part of the body was affected, and say that it was so bad that he could not do his work?—I cannot tell you what he said to the doctor.

13,033. That is the presumption, is it not?—I presume the doctor would have some evidence upon which to issue the certificate.

13,034. Quite so, and he would also have no reason to believe that the person was an impostor, especially if he was one of your members?—Unfortunately, we are like every other sort of society; we have impostors as well as a great proportion who are not impostors.

13,035. You mentioned "biliousness" as one of the trifling complaints sometimes on the certificates.

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† Question 12,341.

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Suppose a person goes to the doctor, and says that he has been vomiting all day, and that he does not think that he will be able to go to work the next day, and the doctor gives that person a certificate and some medicine which is very effective, and which gets him into a fit condition for work the next day, how is the doctor to follow that person up? What further control has he over that person?—We force control by reason of the fact that he must go to the doctor each week for a continuing certificate. And in the meantime it is the duty of our sick visitor, before he pays that week's benefit, to ascertain that the person has in fact been away from work. Before any benefit is paid, the sick visitor is expected to ascertain that it is due.

13,036. Surely, a great many persons must get certificates saying that they are incapable of work, say on the Monday, when on the Tuesday they find themselves capable of work. They go to work, and yet, possibly, they have sent the doctor's certificate in?—Yes.

13,037. Where does the fault lie with the doctor?—There is none. My point is that the doctor continues to certify them for continued incapacity after the initial certificate has been given.

13,038. You mean that the initial certificate has been given, that your sick visitor has made inquiries and has paid the money for the first week, and that then the person goes to the doctor and says that he is still unable to work, and gets another certificate from the doctor?—Yes.

13,039. But that could not be, if he has not got his first week's pay?—He may have told a lie to the sick visitor. I have cases where we have actually paid for quite a number of weeks.

13,040. I put it to you that the doctor may issue the certificates in perfect good faith all the way through?—Yes, but the man is not incapacitated.

13,041. What test can a man apply to a person suffering from muscular rheumatism to see whether he is incapacitated or not?—There are tests the doctor can devise, where he has reason to believe that the man is a malingerer, and some doctors are particularly smart in doing so.

13,042. And some people are particularly smart in deceiving a smart doctor?—I suppose that would be possible.

13,043. You say that many people appear to imagine that the Insurance Act is a means for obtaining an old age pension before 70 years of age. Is that a new feature of friendly society work?—It has appeared previously, but in my experience it is very much more prevalent now.

13,044. Quite so, but still it is not a new feature?—Not absolutely new.

13,045. Those who have had to do with friendly societies for years know as a matter of fact that it is not a new feature?—It is not a new feature.

13,046. Nor is it a new feature that men who are short of work in the winter, like painters, should develop a winter cough, and go upon the funds?—No; vigilance on the part of the sick visitor and the doctor is very necessary in such cases.

13,047. You say in your evidence that the doctors state that they have a difficulty in getting persons who are fit to return to work to do so?—I do.

13,048. That rather implies that the doctors often try to get persons to go back to work and cannot manage it?—Yes.

13,049. On what ground cannot they manage it?—We have had cases where a doctor has stated that he has been disgusted by a person asking for certificates, and the ground upon which he does not feel able to exercise the necessary authority is the fear that it would affect the number of persons on his panel.

13,050. You say here that they have difficulty in getting persons who are fit to return to work to do so. That implies an effort on their part to get them to declare off the fund?—In those instances.

13,051. Do you believe that that often happens?—I believe that in such cases the doctor ought to be strong enough to say "I cannot continue to give the certificate." Here is a doctor who himself believes that the person ought to be at work, and yet he

continues to give a certificate of incapacity. I call that not honest.

13,052. But if the person continues to say to the doctor that he has such a pain in the stomach, or in the back, that he cannot possibly work, how can the doctor say that he has not, though he may have doubts as to whether the statement is true?—We have doctors telling us for weeks together that the person himself would be better at work, and telling the person so, and yet continuing to certify him as incapacitated. I do not consider that that is fair to the approved societies.

13,053. It is one thing to be fair to the approved societies, but he has also to be fair to the insured person, has he not?—Yes.

13,054. Unless he can prove to his own satisfaction that the person has not got the pain of which he speaks, how can he honestly refuse the certificate?—You are speaking of an hypothetical case.

13,055. Unfortunately it happens every day in the concrete?—In these particular instances of which I complain the doctor himself has been convinced that the incapacity has ceased, and yet he has continued to certify.

13,056. Has he made a communication to you to that effect?—Yes.

13,057. Further on, you state that persons requiring dental treatment were rarely allowed off work in the past, but now there is a decided disposition to go on the funds under such circumstances?—Yes.

13,058. I put it to you that this is due to the fact that whereas they used to have one tooth out at a time, they now go in for wholesale clearances?—I have no knowledge that that is the case.

13,059. I put it to you that that it is the case?—If you say so, I accept it.

13,060. Owing to the tremendous extension of artificial teeth business, people are canvassed from house to house to have their teeth out and new ones put in, and we do as a matter of fact get a large number of persons who do have a large number of teeth out of their mouths and so are unable to eat, and who therefore are unable to go to work?—I can understand that, but not for long. That has not been the case in the instances I have mentioned, because the tooth has had to be stopped.

13,061. I put it to you that tooth-ache is not a frivolous complaint?—Fortunately I do not know much about it.

13,062. Then gumboils may be large enough to prevent a person eating?—It is possible, but surely the fact that a person is unable to eat for a little while would not incapacitate him.

13,063. It is altogether a matter of personal opinion?—In my opinion, I cannot conceive such a case.

13,064. May not boils occur on an arm or a leg in such a place as to render muscular movement impossible?—I can well understand a case of that kind, but the cases I have are quite frivolous where such pain is not alleged.

13,065. Further on you state that the society's experience clearly shows that sufficient attention is not given to the distinction between illness which does, and illness which does not, incapacitate from work. Have the medical profession, either collectively or individually, ever had this distinction brought before them by your society?—Yes, we have drawn attention to the fact that the certificate was so and so, and we have put the question specifically to the doctor, "Was it in his opinion sufficient to prevent the insured person going to his ordinary work?"

13,066. Do you pay them if they are incapacitated from going to their ordinary work?—It depends what it is. Usually we should, under certain circumstances, but if a person continued to be incapacitated from his ordinary employment, we should not continue to pay.

13,067. You mean permanent incapacity. You would pay for temporary incapacity from ordinary employment, but you would not pay for permanent incapacity from ordinary employment?—That is so.

13,068. Do you know any insurance committee which has drawn the attention of the medical profession

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to this distinction. Has the Manchester Committee?—I do not know whether that has been done or not. I did not enter the Manchester Insurance Committee at the beginning, when this difficulty with the doctors particularly occurred. I was not then a member.

13,069. This question of capacity or incapacity has nothing to do with the difficulty with the doctors, has it?—Yes, because it was a question of certification.

13,070. I put it to you that there has never been any communication from the Insurance Commissioners the insurance committees, or the approved societies to the doctors either collectively or individually pointing out that there was such a distinction required?—We have drawn the attention of many medical men to it individually again and again. We have had hundreds of such cases.

13,071. Do you think that it is a workable distinction?—Decidedly.

13,072. We have read about the Antarctic expedition where men toiled at most heavy labour with feet frost-bitten. Do you consider that they were capable of work?—I do not.

13,073. And yet they were capable of work?—They were in pain and misery, and in order to prolong their lives, they had to undertake such labour.

13,074. Do you think that the same principle should apply to your members?—No.

13,075. At what point do you draw the line?—It is very difficult to say unless you had a specific case before you.

13,076. Let me give you another case which has not come before this Committee. A man, a bookkeeping clerk at a station, had been suffering from scarlet fever for two days, and much against his will I insisted on his refraining from his work. Yet he was manifestly capable of work?—He was not capable of work.

13,077. But he had been doing his work?—He was not capable of his work without running the risk of contaminating somebody else. Of course, he could not be permitted to work.

13,078. Was he capable of work within the meaning of the Act?—He was not.

13,079. Do you think that it would be an advantage if the attention of the general body of the profession were drawn to this distinction made under the Act?—I do.

13,080. Do your members understand the distinction?—Some of them do.

13,081. Those that have suffered by it, I suppose?—No, those that have not suffered.

13,082. Has it been a matter of discussion at your committee meetings?—Yes.

13,082a. Have you drawn the attention of all those who wished to join your society to the fact that they would not get sick pay, if they could do any work at all?—That is well understood by insured persons generally. They know quite well that it must be total incapacity. We made it perfectly clear right from the beginning at all our meetings, that it had to be total incapacity.

13,083. Did you call attention to the fact that it had not been the rule in the old friendly society?—I submit that it had.

13,084. Do you remember the wording of the certificate of the Sons of Temperance?—I do. It was "Incapable of following or not able to follow his or her usual employment."

13,085. Is that the same?—It is not.

13,086. Then there is a difference?—There is a difference.

13,087. So that it is a new distinction?—It is only a new distinction in the certification. There has been no new feature in this, so far as practice is concerned.

13,088. How do you mean?—I mean that whilst under the Act it suggests that there must be total incapacity, under the old friendly society rules that fact was understood, though it might not be so specifically stated. The certificate that would have been done for an old friendly society will not do for an approved society, though the condition may be the same, and though the doctor may be able quite conscientiously to certify either way.

13,089. The fact remains that you have a differently worded certificate, but your practice remains the same?—That is so.

13,090. So that you do not yourself make a rigid distinction between illness which does, and illness which does not incapacitate?—We make a very rigid distinction.

13,091. Surely you have just said that you pay a man for a short time if he is unable to follow his usual employment, though he may be able to follow some other employment?—The position is this: You cannot expect a clerk suffering from writer's cramp to go and take up at a moment's notice a labouring position.

13,092. What would you do in that case?—We should pay.

13,093. And yet he would be capable of work?—He would be capable of some kind of work, but not of the particular kind at which he earned his livelihood, but the time might come when that writer's cramp might become chronic, and not amenable to treatment. Under such circumstances, we should not pay. We should tell him that he must find some other employment.

13,094. In that case would the doctor be justified in saying, "You, John Jones, are suffering from 'writer's cramp and are incapable of work.'"—I do say that he would be perfectly justified in saying that.

13,095. Would not that be evidence that he did not appreciate the difference?—He would take a reasonable view of the position.

13,096. You also mention in your outline of evidence that debility is given as the cause of incapacity. I put it to you that that is not new?—No.

13,097. That was the cause of trouble in days gone by?—Yes.

13,098. You say that the certificate must be sent in to the secretary or official within three days. Do you think that that is a good rule both for the society, the doctor, and the member?—I do.

13,099. Would it not be better if it were the first day?—No, I do not think so, for the simple reason that there are cases where the person lives in some outlying district, and where it might be difficult for him to get in the certificate on the first day of incapacity.

13,100. Do you know that this difficulty is got over by some of the large centralised societies?—I know that they ask for it to be sent in on the first day. In the first instance, we took that view, but we had reason to modify it, and now we give them three days in which to send it in.

13,101. Why did you modify it?—Because we found that there were cases where it would be a manifest injustice to a person to insist that the certificate should be sent to us within 24 hours, and where in fact it would be physically impossible to do so.

13,102. It was not an unusual rule with the old friendly societies, was it?—No, I have always been used to a rule requiring it to be sent in, not within 24 hours, but within 12 hours, and it has always been workable, but that of course was in a compact area where no injustice would be done by requiring it.

13,103. So that the present difficulty is due to the greater size of the area, and the more scattered membership?—That is so.

13,104. You speak later on of the power of your members to insist upon an independent medical examination. They have that right, have they?—Not by our rules, but we should always give them that right.

13,105. Have they ever asked for it?—Yes, and we have rendered it.

13,106. In the old days of the friendly societies was it a rule of your society that the member might have to submit himself to examination by another doctor?—Yes.

13,107. Why was it your rule?—For the same reason that it is now. We have cases where a person was inclined to malingering, and for the protection of themselves, they took upon themselves that right.

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13.108. So that you could not always depend upon the certificate of your doctor?—We do not say that, but in the olden days, as indeed under any conditions, the doctor might make a mistake in his diagnosis.

13.109. Later on you suggest the full-time service of doctors at salaries of from 250*l.* to 1,000*l.* a year. Does the 250*l.* include housing accommodation? It would, I suppose, be the salary of an assistant and not of a principal?—The same conditions would obtain as now obtain with the profession, where they have assistants.

13.110-1. You mean that as the salary of an indoor assistant, lodged and boarded?—I am not aware what the conditions are now, but I suppose they vary in the medical profession as in others. I am told that it is quite a usual thing to pay from 200*l.* to 300*l.* for an assistant.

13.112. Later down you suggest that the doctors should be made responsible for the over-spending of the drug fund, or for excessive sickness experience of societies. Do you think it fair that they should be made responsible for the excessive sickness experience of societies?—Yes, where it is due to their own carelessness.

13.113. You do not say that. You still hold that the doctor should state clearly on the certificate whether the illness is due to misconduct or not?—I think that very important when it is within his knowledge.

13.114. You make the suggestion that the doctors should be informed that it is not sufficient to certify that an insured person is unable to follow his or her employment?—That is so.

13.115. (*Miss Ivens.*) You have had experience of insurance matters before the passing of the Act?—Not very intimate experience.

13.116. In the case of a married woman living with her husband suffering from some venereal disease, would you refuse payment of sickness benefit?—Yes.

13.117. You would not imagine that it might not be due to her own misconduct?—We might quite imagine that.

13.118. But you would not pay?—No.

13.119. In the case of a single woman where from the medical certificate, say one of endometritis, you suspected venereal disease, what would your method of procedure be?—We should ask the doctor.

13.120. And supposing that he refused to say?—We should presume that there was some reason for that refusal.

13.121. You think that it would always be possible for the doctor to say?—No; if he told us that he could not say, that would be quite another thing.

13.122. Do you think that you are justified in asking the doctor to give a certificate of misconduct?—We think so.

13.123. Supposing that doctor has to sustain an action for libel afterward, would you be prepared to pay the damages?—Not at all. We think that the probability of such a thing is absolutely negligible.

13.124. You have not had such a case where a doctor has had to pay?—I do not know of such a case.

13.125. Have you any members in Scotland?—No.

13.126. I think you must take it that doctors have had to pay, and have to consider actions for libel. They cannot give you certificates for venereal diseases as willingly as they would for pneumonia?—I know that there is a doubt in the matter, and I can well understand in certain circumstances the hesitation of the doctor, but where we have asked for information, not necessarily referring to that, the doctor has not only refused, but he has very improperly communicated the fact that we have written a private letter to him to the member, and caused matters to rise in the member's mind which never ought to have been there.

13.127. With regard to a certificate of a married woman suffering from a venereal disease, would you suggest that the doctor should hand that certificate to her?—Yes.

13.128. Quite regardless of the fact that she had probably obtained the disease from her husband?—That of course, is a matter for the doctor. If such

a certificate is handed to the person, there can be no fear of a libel action.

13.129. I was regarding the matter from the point of view of the feelings of the woman herself?—In that case it would be a very proper thing for the doctor to make some guarded communication to the head office of the approved society.

13.130. In these cases where you suspect venereal disease on the certificate under the headings of endometritis, varicocele, and fibroid tumour, do you refuse benefit?—No, we make inquiries, and try to get confirmatory evidence.

13.131. And supposing that you do not get confirmatory evidence, have you any medical adviser of your own to whom you would refer such a case?—Yes, we have, but I do not know that we have referred such a case. If we had reasonable ground for believing that the disease was due to that cause, we should refuse the benefit, and then leave it to the member to produce such evidence as he was able.

13.132. What would a single woman suffering from endometritis, and presumably innocent, have to do, if she wanted to obtain benefit?—She would tell us that she did not agree with our decision and appeal against it. In that case, in order that we might have our hands strengthened, we should refer the matter to the medical referee.

13.133. And you would pay for that?—Yes.

13.134. And you would act on the opinion of the medical referee?—We should.

13.135. Would the member be allowed to choose this referee, or would you choose him?—We should choose the referee.

13.136. (*Chairman.*) What is the object of referring the matter to the medical referee?—To ascertain whether it is a case of incapacity due to this particular trouble and caused by venereal disease.

13.137. No one is disputing that this particular woman is suffering from endometritis. Do you suggest that he should find out how it began?—I suggest that it is a very improper thing for a layman to try and find out, and therefore a medical referee, in my opinion, is the best person to make inquiry.

13.138. (*Miss Ivens.*) In the case of a certificate for endometritis you would not at once conclude that it was due to misconduct?—Not at all.

13.139. But you said last week that it would suggest it to you?—It would suggest it to us, and we should make careful observation. If we could get any other evidence, then it might be a case for taking it up with the doctor.

13.140. Would you always take it up with the doctor?—We should always do that first.

13.141. You realise that in many cases the doctor is quite incapable of determining whether it is due to misconduct or not?—Quite so, but on the other hand we are aware that they are capable in many other instances.

13.142. In the case of a single woman with vomiting of pregnancy, I think that you said last week that you refused her sickness benefit, although the doctor repeatedly supported her in her claim?—Yes, because we did not believe that she was incapacitated.

13.143. Would you be surprised to hear that such cases are not infrequently admitted to hospital in extreme collapse from that condition?—If we had evidence of that, we should recognise it, but not otherwise.

13.144. She would have to go into the hospital before you would recognise it?—Certainly not. If we had quite clear evidence that the person was incapacitated through some specific disease then we should have no hesitation in paying, though that specific disease might be caused by pregnancy.

13.145. (*Dr. Smith Whitaker.*) How have you formed your opinion as to the connection between endometritis and venereal disease?—From the information we have gleaned from medical dictionaries.

13.146. We have studied medical dictionaries, and you have formed the opinion that there is a connection between those two disorders?—That is so.

13.147. Have your medical dictionaries given you any idea of the proportion of cases of endometritis

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due to either syphilis or gonorrhoea?—I cannot say that we have any information as to the proportion.

13,148. Supposing that by any accident you were led to take medical advice on the subject, and that you found that the proportion of cases due to that specific cause was rather small, would that influence your judgment as to your action in the matter? Do you think it at all desirable that you should make inquiries of the kind before assuming that there is a presumption against every woman whose certificate is endometritis that she is suffering from some disease of this kind?—We should make the presumption having regard to the larger or smaller proportion of such cases.

13,149. But I thought that you told me that you had not yet made any inquiry as to the proportion?—We have not.

13,150. And yet you have taken it for granted that there is a presumption of the presence of venereal disease when a woman is certified to be suffering from "endometritis"?—We have had cause to do so by reason of the fact that we have come across cases where it was due to that. We go upon our own experience in such matter.

13,151. A large proportion of such cases?—No, I would not say a large proportion.

13,152. Can you tell me in how many cases of endometritis you have by subsequent inquiries found that there was venereal disease also?—I could not tell you that.

13,153. I gathered from you that it was because you had collected that experience, and had arrived at conclusions as the result of that experience, that you were taking the line you are now taking?—No, we have not such experience.

13,154. There have been occasional cases?—That is so, and the very fact of those occasional cases coming before our minds naturally raises the question in others.

13,155. Take the case of fibroid tumour. What is your evidence that fibroid tumour is due to venereal disease?—My evidence in that respect is that it was not fibroid tumour at all. It was simply pregnancy.

13,156. Perhaps I misread your reply. I thought that you said that it was one of the certificates which made you suspect. You were asked last week by the Chairman, "I want to know which disease of women you would think had lurking behind it some venereal disease?" You reply, "Ovarian cyst, fibroid tumour, orchitis. I cannot remember any others at the moment." Then the question was put to you, "You say to yourself in every case of fibroid tumour, 'It is worth while finding out whether this arose from some venereal trouble'?" You reply, "We should either ask that question or whether it was a case of pregnancy." The next question was, "Because of the physical condition?" and you reply, "That is so." I am asking you what is your reason for regarding fibroid tumour as associated with venereal disease?—I am afraid that I have improperly connected the two things. Orchitis was the thing more particularly that I had in mind so far as venereal disease was concerned, but the others seem to have been associated with it in subsequent questions. I am afraid I have given a wrong impression there.

13,157. May I take you on the other matter. I do not want to take you on questions of medical terminology, but you may agree that it rather illustrates the danger of relying on medical dictionaries. How came you to associate orchitis with venereal disease in women? Do you know that it is a disease from which women cannot suffer?—I do not.

13,158. That it is a disease confined to men?—I was not aware of that at the moment.

13,159. I do not want to press you on a point of medical terminology, but I suggest that that illustrates the danger of the whole business?—There certainly would be a danger of the lay mind acting finally on such information, but surely it is a case for further inquiry.

13,160. Let me go back to the question of presumption. In your reply to Miss Ivens, you appeared to assume that the fact that certain diseases were

mentioned in certificates, raised a presumption against a possibly innocent person of suffering from this disease. That was the reason I pressed you with these questions?—In these cases where we have a presumption, it has been in consequence of having cases of the kind. That has raised the question in our mind.

13,161. (Miss Ivens.) You mentioned, I think, cases of abortion. You decline to pay on the presumption that they are due to misconduct. Have you anything further to say upon that?—I am not sure that I said that we should not pay upon it.

13,162. What did you say about it this morning? I understood you to say that you regarded cases of abortion as presumably due to misconduct?—Certain cases, yes.

13,163. So that in all cases of abortion you would institute inquiry into the character of the person?—No, we should write to the doctor, asking him if he would be good enough to communicate whether it was natural abortion or otherwise.

13,164. And supposing that the doctor did not answer?—Well, it would place us in a difficulty.

13,165. You think that the doctor would always be able to answer that question?—I do not think that he always would, but we have found that in the great majority of cases he has.

13,166. There are cases in which drugs are taken, where the doctor has no knowledge of the fact?—That is so.

13,167. Are you aware that there are cases of abortion, due to venereal disease, which are not the fault of the woman herself?—That it so.

13,168. You say that you decline to pay for cases of metrorrhagia, menorrhagia, and menopause?—No, I did not say that. I said that we had a difficulty in such cases. They were claiming for considerable periods, when, in our opinion, they only ought to claim for short periods.

13,169. On what grounds?—Because it usually does not incapacitate for long periods, and, as a matter of fact, in the cases that we have had, we have found that the incapacity was not continued.

13,170. You have not come across any cases where menorrhagia was actually the beginning of some malignant disease, such as cancer?—We have not had such cases.

13,171. You do not think that there is a danger of your depriving persons suffering from some malignant disease of early treatment?—Metrorrhagia is more serious than menopause, and we should view these as not all on the same plane. We should expect that metrorrhagia would necessitate a longer time of sickness than menopause.

13,172. You said that a good many of your excessive claims were due to minor ailments following confinement. Can you give me any more details about these ailments?—I think so. We have here a case of anæmia and debility, when the real condition was pregnancy.

13,173. That is not one following confinement?—Yes, pregnancy and after confinement. We paid for something like 20 weeks.

13,174. Have you any others?—Oh, yes, I have a number. In one, after paying 22 weeks, we were not satisfied that the person continued incapacitated. We requested her to go to a medical referee, and she refused, and we stopped benefit.

13,175. You rather gather that that was really a case of malingering, and not so much disablement?—It was an excessive period to claim after a confinement.

13,176. But it might not be excessive if the woman were suffering from some definite ailment?—We should not regard every case that remained on the fund for that length of time as improper, but in this particular instance, and in other instances, we have found them to be improper.

13,177. Do you pay at all on certificates for pregnancy only?—No.

13,178. Do you pay on certificates for pregnancy with some other ailment?—If there are complications, yes.

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[Continued.]

13,179. If there are complications which you consider sufficiently grave?—That is so.

13,180. But not for pregnancy only?—No.

13,181. Or pregnancy with vomiting?—No.

13,182. (*Miss Macarthur.*) You are doubtless familiar with the clause of the Act which provides that no breach of rules, or imposition on the part of an insured person, shall result in the suspension of the maternity benefit to his wife?—Yes.

13,183. It rather looks as though the Legislature had taken trouble to expressly provide that women should not be penalised for the sins of men?—Yes, during maternity.

13,184. You think that that should only apply to maternity?—It does only apply to maternity.

13,185. Can you give us any justification at all for penalising a woman for the sins of the man?—I am not aware that we do so.

13,186. I think that you have said that in the case of a married woman suffering from a venereal disease, you would refuse benefit?—Yes.

13,187. Is not that very probably penalising an innocent woman?—No, we have had no such case. We have had no reason to believe that we have refused benefit in a single case where the fault has not been with the person concerned.

13,188. But in one case to which you specially referred, the Chairman asked you if the woman was living with her husband, and you said that you did not know?—Yes.

13,189. Does that mean that you did not take the trouble to find out?—We did not know.

13,190. Then how could you possibly have any justification for assuming that the fault was with the woman?—We declined benefit. If the woman has any reason to believe that we have done her an injustice, she has the right to appeal against that decision.

13,191. You said that you did not penalise a woman for the sins of others?—We are not aware of any instance where that has been done.

13,192. And yet you say, as a general principle, that you refuse benefit wherever a woman is suffering from such a disease?—That is so.

13,193. How do you reconcile the two statements?—Easily enough. Because I assume that the woman herself is responsible.

13,194. Are you aware that there are thousands of innocent women suffering from venereal diseases?—Unfortunately I have reason to believe that that is true, but I have no reason to believe that we have any such cases.

13,195. Then you simply chance it?—We do not think that there is very much chance about it.

13,196. Do you know anything at all about the statistics with regard to this question?—I do not.

13,197. Do not you think that it might be well before adopting this procedure to make some inquiries into the subject?—I do not think so. We have sufficiently onerous duties devolving upon us to carry out the administration of the Act.

13,198. Have you had any advice of any medical man on your procedure in this connection?—Yes.

13,199. Do you mean to say that you have consulted a medical man as to the propriety of refusing benefit to women in such circumstances?—Oh, no, we have had the advice of a medical referee with reference to certain cases.

13,200. That is a very different matter. Have you had any skilled advice for your guidance as an official administering the Insurance Act in this matter?—I am not aware that anyone has any further experience than I have myself.

13,201. That means that you have not had any medical advice on the general question?—Not on the general question.

13,202. You told us that all your claims were originally sifted by clerks?—They are.

13,203. I take it that they are male clerks?—They are.

13,204. Is there any woman on your central committee?—No.

13,205. You have an appeals committee, have you not?—Yes.

13,206. Is there any woman on that committee?—No.

13,207. You told us that in the case of pregnancy of an unmarried woman of 21, there was a committee of five men to discuss her claim. Do you think that that was a proper procedure?—I should have preferred it if she had sent it in writing, or if she had sent a male representative to deal with the matter.

13,208. Do you seriously suggest that a girl should send a man to represent her in this question?—Certainly. She had her father to represent her.

13,209. Was she accompanied by any woman, when she appeared before your committee?—She was.

13,210. There was no woman on the committee?—No; we thought it a little indelicate on her part, but she insisted upon appearing in person.

13,211. I suppose you thought it would have been more delicate if she had accepted your decision not to pay the benefit?—Not at all. She had not the shadow of a claim. There was not the shadow of incapacity.

13,212. I think that you said that she had been certified as suffering from vomiting, and that the doctor had repeatedly protested against the non-payment of her claim?—No. I do not know that I said that the doctor protested against the non-payment of her claim. I might have done so, and it might be true, but just at the moment I do not remember.

13,213. With regard to climacteric cases, have you informed your members or your sick visitors that cases should not be paid, because this was the usual course of things?—No, we have made no communication at all.

13,214. You have not refused the benefit in such cases?—No, except where it has been of an undue length of time, and we have ascertained that the incapacity has not been total incapacity.

13,215. Are you quite certain that you have not made this statement that it was the usual course of things?—We have not, except where we were satisfied that the incapacity did not continue.

13,216. You tell your sick visitors, or women members, that they must not, when receiving benefit, perform maternal duties?—Yes, after the first month after confinement.

13,217. What do you mean by maternal duties?—Looking after her child. Of course, if she is herself nursing her child, she would feed it, but washing it, dressing it, and looking after it generally is not the sort of thing that a woman who is drawing benefit for more than four weeks should do.

13,218. Would you kindly repeat what you said about the nursing of the child?—The mother who was herself nursing the child would naturally have to feed it, but to undertake other duties such as washing it, dressing it, and looking after it generally—

13,219. You would not allow?—No, not to be a regular thing. I do not mean to say that a woman should not occasionally attend to her child. For the first month we should allow her to do anything that she chose. We should make no restriction of any kind whatever so long as she remained away from remunerative work, but beyond the month we should exercise stricter supervision.

13,220. And if you found a woman in receipt of sickness benefit washing or dressing her child, what action would you take?—We should stop payment of her benefit.

13,221. Have you had many protests from women members with regard to the non-payment and stoppage of benefit?—No.

13,222. Have you had from some of your women sick visitors representations that they considered your treatment unduly harsh?—I do not think so. I do not remember anything of the kind.

13,223. You have had no resignations among the women sick visitors?—No. We should not get them. Such a thing might happen, and we should not know, because the local committee would deal with the sick visitor.

13,224. So that complaints may have been made and have not reached you?—That is so.

13,225. I think that you said that you found that weavers had a high rate of sickness?—Yes.

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13,226. I suppose that you know that the infantile mortality is very high in these industrial towns of Lancashire?—Unfortunately, that is so.

13,227. Do you think that there is any connection between the high mortality rate and sickness?—Yes.

13,228. So that it might not be due to malingering?—I do not suggest that it is due to malingering altogether, but a certain proportion of it is in my opinion.

13,229. I think that you said with regard to the rate among the weavers in these Lancashire towns, that a large proportion of them were married women and that there was an incentive to them to stay at home longer than was necessary?—Yes, if they have families to look after.

13,230. But you do realise that there may be other very serious causes for that excessive sickness?—I do. I did not suggest that my answer in the former case was a complete answer. It only referred to what I regard as the excessive sickness due to malingering.

13,231-2. You say something about panel doctors receiving payment from patients. Can you give us any further information on that?—Yes; we have had doctors defending their charges for what they consider extra attention, or extra medicine which they have supplied.

13,233. Have these extra services been concerned with eyes, and teeth and so on?—No, I think, generally speaking, it has been a case of the doctor supplying medicine, and charging for the medicine.

13,234. You object to the doctor making that charge?—I do, and in some instances as much as 10s. 6d. has been charged for a certificate.

13,235. You say that strict inquiries were made as to the health of all applicants for membership of your society?—Yes.

13,236. And that only those were accepted where good declarations were made by the applicant and confirmed by witnesses?—Yes, but we do not suggest that these declarations were always correct.

13,237. Have you in fact expelled any members for withholding material information?—We have.

13,238. I see in your application form the question, "What ailments have you had?"—Yes, and the other is, "Are you in good health and free from disease?"

13,239. What kind of reply do you expect to the question, "What ailments have you had?"—We expect them to tell us what ailments they have had of such a character as to incapacitate them.

13,240. And if they omitted to mention any ailment they had had during their lives would you consider that a material omission?—If the ailment was of such a character as to leave such a weakness in the constitution as might afterwards lead to incapacity from the same cause.

13,241. So that you could expel members for insufficient replies to this question?—That is so, of course if the person was aware of it at the time he made the application.

13,242. You have had this application form, and you have had certificates from witnesses, and you are in a position to expel members who have not accurately supplied the information. Does that mean that you have an exceptionally good class of life in your society?—I should regard that as being the case.

13,243. Have you in fact rejected many people as unsatisfactory?—If you refer to the proportion, the proportion has been very small. I should say probably about 2 per thousand.

13,244. Have you done anything in connection with that clause which provides for a lower rate of sickness benefit where the wages are low?—We have not.

13,245. You have employed medical referees?—Occasionally.

13,246. Can you tell us on what terms?—5s. per examination.

13,247. Have you paid that uniformly?—Yes. Perhaps you would allow me to tender one bit of information I have omitted—a comparison between the married and single women in the Lancashire towns of Preston and Bury. Taking an equal number, single women have drawn for the first six months 117 weeks

2 days, and married women 209 weeks 5 days. That was the point I omitted.

13,248. How have you taken them out?—Just haphazard. We took one hundred cases in each place just as we came across them, irrespective of whether they have drawn benefit or otherwise.

13,249. (Mr. Watson.) Have you got their ages?—No, we have not got out their ages.

13,250. With regard to the 209 weeks for married women, is it not a natural inference that the larger proportion were before confinement?—I cannot say, but if my memory serves me rightly confinement cases were excluded from both comparisons. We only took cases that were not cases of confinement.

13,251. (Mr. Davies.) I take it that your evidence with regard to excessive sickness has been more on account of female than male cases?—That is so.

13,252. You gave us some figures showing in one case that a number of young people under 21 were having a larger sickness experience than people who were over 21?—Yes.

13,253. Could you tell us the nature of the employment which would seem to suggest the change from the general experience of young people paying for the old, to the old paying for the young?—My experience is that persons below 21 years of age have a greater sickness experience than those, say, between 35 and 40.

13,254. Do the figures of your society fortify you in that opinion?—The figures that I have submitted do. We have not had such an extended experience as would warrant us in drawing any general conclusions.

13,255. What are the numbers of young people under 21?—I think that I quoted them in my previous evidence. I have them here. 14,390 males between 16 and 21, and 17,474 females between those ages.

13,256. You reduce those figures by striking out the males because their experience is fairly good?—Yes.

13,257. Then you come down to 17,000?—That is so.

13,258. So that you consider 17,000 lives in your society sufficient to warrant you expressing the opinion that all young lives have had a larger sickness experience than elder lives?—I would not draw a general conclusion of that kind, but I would say, generally speaking, that our experience leads us to that view. At the same time we must remember that young women, particularly in large towns, do suffer from anaemia and things of that kind more than young men.

13,259. That leads you to the general opinion that they are having more sick pay?—Yes.

13,260. You say in your evidence that claims are being paid owing to the doctors not distinguishing between accidents for which compensation should be payable, and illness, and a lot of other things. Do you think that, if the doctors were instructed that it was their duty to advise cases of sickness arising from accident, it would have an appreciable effect upon the excessive sickness?—To that part of the excessive sickness due to that cause, I do.

13,261. Do you regard the amount of excessive sickness from that cause as great?—Compared to the total claims I should not say that it was very great, but it is certainly a very important factor.

13,262. You raised the point that in cases of accidents there was an agreement between employer and employed as to the amount which was supposed to cover the accident, and that after that agreement had been entered into by the two parties named, and notice had been served, you had only seven days in which to make up your mind. If in these cases of accidents the doctor certified on the note that it was an accident, would that give you the opportunity of facing these cases before the seven days, and arranging with your member that, before any agreement was come to, he should consult the society?—We think that it would have that effect, but so far as the cases that are now in evidence are concerned, I do not think that it would, because workmen's compensation benefit has previously been paid for six months prior to the deposit of a notice. Consequently these cases would probably arise earlier than the coming into operation of sickness benefit. We insist upon persons

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giving us notice immediately an accident occurs, but we have great difficulty in getting them to do so.

13,263. But you say here that one of the reasons of the excessive sickness is that you have been paying in cases of accidents, which have not been advised, whereas if the certificate was "accident" you would at once set about inquiring?—That is so.

13,264. If it was an instruction to the doctors that they should in all cases of accidents say "accident" upon their certificates, it would at once set up the inquiry?—It would.

13,265. Is not the position this? The employer and employed having arrived at a decision to accept a certain amount, the case may turn out one of permanent disablement, and instead of the 20*l.* or 50*l.* covering the case it would be on your society for all time, and might cost you 100*l.*?—It would cost very much more.

13,266. And you say that before any such arrangement is made, your society should be consulted to see if the amount arranged is commensurate with the risk the society may be expected to carry?—Yes.

13,267. (*Mr. Watson.*) Do you suggest that?—That undoubtedly is in my mind, and I desire it.

13,268. (*Mr. Davies.*) Do you think that it would be advisable in these accident cases for the Commissioners to suggest some new law, or if possible by some regulation to suggest that each insurance area should have some adviser, who could be held by a retaining fee, and to whom all accident cases could be referred? He could deal with them and by that means cover the sickness part of the Insurance Act as against the accident which would otherwise be charged against them?—If he were an official whose decision would be final, that would be a very good arrangement. My point is this. In an agreement that has been come to between the employed person and the employer, the particulars that are filed in the county court ought to be accepted as evidence, and ought not to be questioned subsequently. The particulars sent to the society and agreed upon as between the employer and the workman ought to be sufficient evidence for the society to take action upon, and ought not subsequently to be questioned in the county court.

13,269. Do you know any district where the approved societies as a combined whole have the power to put into the hands of a certain solicitor all cases arising from accident, in order that he may obtain for the insured members their dues under the Act?—I do not know of any such district, but I think that it is a very desirable thing if we could get an authoritative decision rather than that each society should have to consult its own solicitor at considerable cost.

13,270. May I call your attention to one part of your outline of evidence in which you say "The present system weakens the doctor's position," and further on you say "the old friendly relationships between the friendly society officials and the doctors have ceased"? Is that what you mean weakens the present position of the doctors?—Previously the doctor was glad to welcome the official of a friendly society, and glad to receive any hint from him, but now he resents any such interference because the approved society has no power over him in any way. The official of the society does not appoint him, and is in no way helpful to him.

13,271. Do you think that it would be helpful if by regulation or suggestion by the Commissioners, some kind of conference could be set up between the doctors and the approved societies, and out of that conference some working agreement arrived at?—I think that that is very important indeed, and I think if the medical men throughout the country were willing to work harmoniously with the approved societies, there is not the slightest doubt that much of the malingering could be detected and stopped.

13,272. Are not the difficulties of administration under the Act largely due to the want of confidence between the medical men and the approved societies, and, if such a thing could be set up, would not two-thirds of the difficulties be wiped out?—I should say quite two-thirds.

13,273-4. With regard to your reference to the doctors in Manchester. Have you any knowledge of any of the other systems in operation besides that of Manchester?—Yes, the panel system, and my old friendly society experience was of such a character that I found where the society appointed two doctors instead of one, the sickness experience went up. Where there was only one doctor the sickness experience might be said to be normal, but where there were two the sickness experience was increased.

13,275. Does not what you say appear to be an argument from your standpoint against the free choice of doctor altogether, and not so much against the system?—I think that the free choice of doctor is a mistake. I think that you can have it too free.

13,276. With regard either to the panel system or the payment per attendance system?—It would apply to both.

13,277. Who is responsible for the system being set up in Manchester?—I cannot tell you, because I was not a member of the Manchester Insurance Committee at the time that it was set up, but from information which has come to me later, I believe that it was at the desire of the medical men themselves that it was a variation from the ordinary panel system.

13,278. Is that system going to be continued?—For another 12 months at least; that is the decision which has been arrived at by the Manchester Insurance Committee.

13,279. I understand that the majority in that case was 39 against 3?—That is so.

13,280. Were you amongst the 3 or the 39?—I was amongst the majority.

13,281. If this system is so bad, could you give us any reason why you wanted to perpetuate it, and supported it?—A very earnest appeal was made by the doctors who were upon the rota in Manchester to be allowed to continue it for another 12 months. They pointed out that they were exercising discipline over their medical brethren who were inclined to treat things too laxly, and they believed that if the Manchester Insurance Committee would agree to it for another 12 months, they would very largely solve the difficulty so far as Manchester was concerned. They welcomed conferences between the approved society officials and the medical profession, and they felt that by conferences of this kind a better understanding and a very different condition of affairs could be arrived at. They recognise that the present condition of affairs is unsatisfactory.

13,282. Under those conditions, may I take it that you are prepared to agree to the per attendance system and free choice of doctor?—I believed the representations made to us by the doctors, and though the facts before me led me to the opinion that it is a bad system, I felt that it was due to the doctors, that they should have the opportunity of testing it for another 12 months, indicating that, if at the end of that 12 months a very considerable difference was not made in the experience both of the drug fund and in the sickness rate of societies, then drastic alteration would have to be made.

13,283. Therefore the system, so far as your vote is concerned, goes on, though it will affect the insured person in the way that has been suggested?—That is so.

13,284. With regard to the question of medical referees, why do you suggest that the Commission should appoint and pay?—There are only two alternatives. One is for the approved societies to appoint and pay, and the other is for the insurance committees to appoint and pay, or charge, as at present, to the approved societies. I strongly object to the insurance committee appointing any medical referee for any society, and asking that society to pay for such medical referee when they have no power to appoint, and no control of any kind over the referee. If they are asked to pay at all, then they ought to have the power to appoint.

The witness withdrew.

EIGHTEENTH DAY.

Thursday, 11th December 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT:

SIR CLAUD SCHUSTER (*Chairman*).

Dr. ADAM FULTON.
Miss M. H. FRANCES IVENS.
Miss MARY MACARTHUR.
Mr. WILLIAM MOSSES.
Dr. LAURISTON SHAW.
Mr. A. C. THOMPSON.

Mr. A. H. WARREN.
Mr. A. W. WATSON.
Dr. J. SMITH WHITAKER.
Miss MONA WILSON.
Mr. WALTER P. WRIGHT.
Mr. ALEXANDER GRAY (*Secretary*).

Mr. ROBERT SMITH further examined.

13,285. (*Mr. Wright*). I wish to know a little more about the government of your society. Rule 27 (a) provides that the members of the section shall be grouped into divisions of approximately 1,000 members?—Yes.

13,286. Have the members yet been grouped?—They have.

13,287. Have the groups had an opportunity of voting for an election of delegates?—They have.

13,288. In every case?—In every case.

13,289. Is Reading grouped?—Yes.

13,290. Have the members there had an opportunity of electing delegates?—They have.

13,291. Is Cambridge?—Yes, everywhere throughout the whole country.

13,292. Generally speaking have the elected delegates been those who have also been elected by the co-operative societies to represent them?—No. They are quite distinct representatives generally.

13,293. By whom are the local committees elected?—By the general delegates' meeting.

13,294. Are they not appointed by the committee of management of the society?—No.

13,295. Can you refer me to the rule which states that the local committee is elected by the delegates?—Rule 20.

13,296. Has an annual general meeting of delegates been held?—Yes.

13,297. Do you know of any case in which the committee of the local co-operative society is not also the committee of the section?—Yes, Accrington.

13,298. Is that the only case?—There are other cases where there are sub-committees who report to the local committee.

13,299. Do the local committee keep a record of their proceedings?—Yes.

13,300. Do they keep a minute book?—Yes.

13,301. Have you personally had any communication with the members of the local committees, by way of notifying to them their appointment as members of the local committees?—Every one of them has been notified.

13,302. As a matter of fact the committee of management consists of the directors of the Co-operative Wholesale Society?—That is so.

13,303. How often do they meet?—Every week.

13,304. Where?—In various places; sometimes London, sometimes Manchester, and sometimes Newcastle.

13,305. Do you report to them every week?—I do.

13,306. Whether the meeting is held in Newcastle or London?—Yes.

13,307. You attend and report?—Yes. I always report, though I do not always attend.

13,308. You told us yesterday that in cases of grave doubt you submitted the case to the committee of management. Approximately how many cases do you have in a week to submit to the committee of management?—Not very many.

13,309. Is it a dozen?—Each week, no.

13,310. Nor half a dozen?—Yes; less than half a dozen sometimes.

13,311. How many full time sick visitors have you?—I cannot tell you that. They are appointed by the local committee. They do not report to us.

13,312. Do you know of any?—Yes. Dewsbury and Burnley.

13,313. Are there any in the south at all?—We are not very strong in the south of England. It is only in very few places that we have sufficient members to make that possible.

13,314. Roughly speaking 25 per cent of the claims you receive are questioned?—I would not say that they are questioned, but further inquiries have to be made. They are not clear.

13,315. In your proof of evidence you say: "The section receive 1,000 sick claims each week; 670 of these are paid without question; 50 are compensation cases and 280 are deferred for further inquiry." What further inquiry is made?—Either there is some informality in the notice, or in the certificate, or in the deposit of the notice. They very often, of course, are quite trivial things, and probably within a couple of posts the matter is cleared up.

13,316. In some of those cases you cited to us yesterday you suspended the insured person from benefit?—Yes.

13,317. The only remedy the insured person had was under your dispute rule, which gives a right of appeal to a delegates' meeting?—They first of all can appeal to the local committee; then they can appeal to the general committee, and finally to the delegates' meeting.

13,318. But in those cases had you preferred any charge against the members?—No. We do, of course, occasionally prefer charges, but we stop benefit without preferring charges rather than prefer charges.

13,319. Why?—Because we find that as a rule when the persons are taxed with some offence, they say nothing further about it, and will declare off. They do not persist in the claim.

13,320. It comes to this, that when a member is suspended, you simply tell him that you are not going to pay sickness benefit?—Yes.

13,321. You do not point out at the same time any means whereby he can obtain that benefit supposing he is satisfied of the justice of his own claim?—He has the rules, and knows exactly what is in them.

13,322. Suppose you bring a charge against a member under rule 11, you would be under the obligation to summon that member to answer that charge?—Yes.

13,323. Therefore, the member would have proper notice, and an opportunity of justifying his claim?—Yes.

13,324. Under your system he has not that opportunity?—Yes, he has. He can himself refer the matter for decision.

13,325. Do you supply every member gratuitously with a copy of these rules?—Yes.

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[Continued.]

13,326. How do they come into his possession?—At the time the insurance book is handed to him, after the application is received.

13,327. Do you send it by post?—No. We send it to the local committee, and they hand it to him.

13,328. Are you satisfied that the local committees do that?—We are.

13,329. The local committees have no right to accept or reject claims?—No.

13,330. Claims are never in any circumstances referred to the local committee?—If there is a claim persisted in, which is disallowed, then it is referred to the local committee.

13,331. That is by way of appeal?—Yes.

13,332. It comes to this, that claims, except on appeal, are not considered by the local committees?—That is so.

13,333. And out of the 1,000 claims you receive in a week only an average of six claims are referred to the committee of management?—I would not say an average of six. I should say that a few extremely doubtful cases are referred.

13,334. Then you are the sole arbiter, with the assistance of a medical dictionary, of nearly 1,000 claims per week?—Not at all. It is impossible for me personally to deal with anything like 1,000. Very few of them come into my hands at all.

13,335. What proportion of claims come into your hands?—That I could not say.

13,336. How many in a week should you think?—It is extremely difficult to say. I could only give a very rough estimate. It may be perhaps 20 or 30.

13,337. We will say 30. Do you say that this number goes to the committee of management?—No, less than that. They come into my hands simply to determine. The great majority are allowed right away.

13,338. Shall we say that 10 go to the committee of management?—Not so many.

13,339. What would you say?—I should not like to commit myself to any number because it is too varied.

13,340. Of course it varies, but I am thinking of a rough average?—I could not tell you a rough average.

13,341. It would be an excess?—It would.

13,342. Well, we will call it 10; that makes 40. How many claims come to your immediate subordinate?—It is impossible for me to say; a very fair number of those that are in doubt.

13,343. At all events, excepting the 10 claims which go to the committee of management and 30 which come to you, that is 40 altogether, all the rest are decided by clerks in your office?—Yes.

13,344. Without any medical assistance?—We get medical assistance where necessary.

13,345. Could you give me any case where you have had a doubtful claim under consideration, and you have referred the matter to a medical man?—Yes. We have referred the matter to the medical referee or to the medical man, in pregnancy, in 20 cases.

13,346. Have you had any protests at all about the way persons were treated?—Not at all. Everything works quite amicably, and with great satisfaction generally to the insured persons.

13,347. Have you many applications for transfer?—Very few, comparatively speaking.

13,348. Have you given your consent to any cases of transfer?—Yes.

13,349. To what proportion of applications have you consented?—I could not tell you that. We assented to every application for transfer for the first six months. After that we did not think it desirable from any society's point of view to encourage transfers to, or grant transfers from, unless there was some very good and specific reason. When there is a good and specific reason, we have no hesitation in granting it. If it is simply a frivolous application, of course we do not grant it.

13,350. (Mr. Warren.) You say in your outline of evidence that your experience goes to show that unjustifiable claims are being made by men in isolated cases, and that such claims are numerous among women?—That is so.

13,351. Is that, in your opinion, owing to the ignorance of the insured persons as to the real purpose of national insurance?—I think so. I think that a proportion of unjustifiable claims are made under a misapprehension of that kind.

13,352. They have not realised up to the present that benefits are not guaranteed by the State, and that members will have to stand or fall by the experience of their own approved societies?—Generally speaking, women do not realise that.

13,353. Have you found it necessary to make any complaint to the insurance committees in the various areas wherein you operate respecting the attitude of the doctors?—Yes. We have reported seventy cases.

13,354. What treatment have you met with at the hands of the insurance committee?—Generally speaking, courteous and proper treatment. Occasionally the insurance committee has been quite surprised that we should draw attention to certain cases, and have expressed themselves in favour of the doctors' attitude originally. They had no idea, and we were the first society to draw attention to the fact, that the doctor's certificate was not a cheque on the society, and when we drew the attention of the insurance committee to the fact that certain particulars were required in addition to what has been given, they were very much astonished and communicated with the Commissioners, and ultimately got advice, and some of them wrote us thanking us for drawing attention to it, and putting an end to it, as previously they had no knowledge of it.

13,355. Generally speaking, you would be satisfied with the attitude adopted by the insurance committees which you had to approach?—With one or two exceptions, yes.

13,356. Is it a common practice for doctors to charge for certificates?—It was at one time. When things were reported to us, we immediately took the matter up, and got the money that had previously been paid refunded to the insured person.

13,357. Do you include in certificates both the declaring-on, the continuing, and the declaring-off certificates?—Yes. Earlier in the administration of the Act, the doctors refused to give continuing and declaring-off certificates.

13,358. Has any case come to your knowledge in which the doctors have either endeavoured to obtain, or have obtained, payment in respect of panel patients?—Yes.

13,359. Payment by the person beyond that received from the insurance committee?—Yes.

13,360. Have you any number of claims?—I can refer you to three. I can refer you to quite a number where charges have been made for certificates. In a number of those there have been payments made for medicine, or some such thing as that.

13,361. Where medicine has been supplied by the doctor?—Yes.

13,362. Am I to understand that the panel doctor, in dealing with the patient, has not given the patient a prescription to a chemist?—I cannot say whether he has done that, but he has given medicine to the patient, whether at the patient's request or not, of course I cannot say. He has given medicine to the patient, and the patient has paid him for that medicine.

13,363. But was he paid for treatment apart from medicine, was he paid for advice?—When the doctor renders his account he does not say what it is for. He simply puts "professional treatment."

13,364. How have these cases come to your knowledge? Do the patients complain?—Yes, sometimes. It is sometimes brought to our knowledge—there was one case in particular in the Yorkshire district—that charges have been made. We wrote to the doctor, the doctor said that he thought that he was justified in making the charge. When we further pursued the matter, pointing out that he was not justified, and calling upon him to repay the money, he repaid it to the patient.

13,365. Have you come across instances of certificates being either post-dated or ante-dated to any extent?—Yes, but not to any very great extent, because our requirement of the deposit of the certi-

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cate within three days to a large extent precludes that possibility. That is to say, if a man deposits a certificate, it must be done within three days, otherwise we would not recognise it.

13,366. That law applies to ante-dating?—Yes.

13,367. But in respect of continuing certificates do you find any post-dated?—No, we require one every week, and it has to be presented to us every week, and therefore there is not much possibility of that with us.

13,368. But your form provides space for more than one week?—One week only.

13,369. Have you any knowledge that prescriptions given by doctors in certain cases are not automatically taken to the chemist?—We have had occasion to draw attention to cases where the insured person has not taken the prescription to the chemist for some considerable time after it was issued.

13,370. You have no knowledge as to any number never reaching the chemist?—I have not.

13,371. I think you told us, from your experience in respect of the Manchester Insurance Committee, that the committee had incurred liability in respect of chemists to the extent of over 5,000*l.* in excess of the sum available for the payment of chemists? In your opinion does not that arise from the extravagance of the prescriptions granted?—Doctors and chemists themselves have agreed that a proportion of that excess is due to too lavish prescribing, and they themselves have put that into writing. That is their own declaration.

13,372. And steps will be taken to alter that in future?—Steps are being taken in that direction.

13,373. Your previous experience in respect of friendly society work was in the direction of the doctor being a doctor of the branch, in close touch with the branch and with the members?—Yes.

13,374. Would it be of material advantage if those old conditions could be revived?—There is no question about it.

13,375. You would urge from your experience the value of the doctor again being in close touch with the branch and its members?—Yes.

13,376. I notice that under rule 26 of your rules you have the right to appoint nurses?—Yes.

13,377-8. Have you appointed any number?—No, we have appointed at the present time nurses as sick visitors in certain instances, but not as nurses.

13,379. Can you tell us of your own knowledge whether, in every branch, they have availed themselves of the rule giving them power to appoint sick visitors?—In a very large proportion we have knowledge that they have availed themselves of that, and from the central office we are continually urging where difficulties are experienced that they should make the appointment to get over the difficulties.

13,380. I notice that your rule provides that local committees may appoint. Would not it be well if it was compulsory that they must appoint?—The central committee take to themselves the power to appoint where the local committee fails to do its duty.

13,381-2. Have you knowledge as to every local committee discharging its duty in this respect?—We have no distinct knowledge, but where we come across any case in which it appears from reports that the position is not satisfactory, we immediately take it up with a view to knowing why things are not done in proper order, and then we insist upon a sick visitor being appointed, if there has been laxity in that respect.

13,383. From your previous experience in respect of a large society you appreciate the value of careful sick visiting?—I consider that it is very important indeed to have efficient sick visiting.

13,384. May I take it at the moment that you do not regard your supervision as entirely satisfactory?—We know that in the great majority of cases it is quite satisfactory. There may be an odd case or two where difficulties require straightening out. That is being done as they arise.

13,385. With regard to the administration allowance at various branches, you could not tell us how the money was dealt with in the branches?—Much depends upon the locality. In a compact locality a

small number of sick visitors would be required for the purpose of dealing with a lot of sick people, and consequently the cost would be less, while in the case of a wide area in a scattered district, the cost would be greater.

13,386. At present, in every one of these local areas or branches an administrative account is kept?—I do not know that it is. We, for the services that they render to us, pay that amount. Of course, when the six months cards come into operation, there may be a revision necessary.

13,387. There will be no audit performed on any of these areas or branches by the Government auditors?—None at all.

13,388. Therefore you will have to satisfy them from the head office as to how you have distributed the money?—Yes.

13,389. (*Mr. Mosses.*) Broadly, have you any cause of complaint of excessive sickness?—Among women, yes; among men, no.

13,390. According to the statement in your evidence, I notice that the cost for men is 1½*d.* a week, and for women 2*d.* a week. You do not put it precisely in that form?—Perhaps this will give me an opportunity of saying that the cost per week per man is 1·56*d.* and per woman 1·98*d.*

13,391. Do you consider that 1·98*d.* is excessive in regard to women?—Yes.

13,392. Having regard to the fact that the Commissioners allow 2*d.* per week?—Yes, but you must take into consideration the average age of the members, and also the class of your members and the condition of employment, and having regard to all the circumstances, we regard our experience among women as excessive.

13,393. I would like to know how much of your comparatively favourable experience is due to the careful selection of your members, and how much is due to the severity of your investigations? Are your members all members of co-operative societies?—Not necessarily all of them, but generally speaking they are members of co-operative societies, or residents in households of members of co-operative societies.

13,394. Would you take an absolute outsider as a member of your approved section?—Yes, if the local committee recommended his acceptance.

13,395. If a co-operative member leaves the society, I presume that he can still remain a member of the approved section?—Yes.

13,396. Does every claim come before your central authority before it is paid?—Yes.

13,397. When illegal payment has been made, what steps do you take to recover the amount due from the member?—We call upon the member to refund the money. We have got several refunds in that way, but in the case of poor people, we have very great difficulty. If a person has nothing, we can expect nothing.

13,398. How did you get your members in the first instance?—We simply put out placards in the various localities, and had application forms available at each of the co-operative societies throughout the country, and as we did not come in until very late, in fact the Act was nearly upon us before we started at all, we had various addresses delivered in various localities, simply to make our scheme known.

13,399. Did you pay any procuration fee to those who got members?—No. For the service of dealing with the applications, and so on, by the local secretaries, we paid a fee of threepence, but that was for the clerical services involved.

13,400. Then every co-operative branch was really a recruiting agency for your society?—That is so.

13,401. With regard to administration, I see that two-fifths of your members are women?—Yes.

13,402. Have the women any representation upon any governing body in the approved section of your society?—Yes, they have representation upon the governing bodies, the general delegates' meeting.

13,403. You have had one meeting?—Yes.

13,404. You have provision for two per year?—We have provision for four per year.

13,405. Do you intend holding four per year?—That I cannot say. The next is to be held in April;

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we shall call them as they are found necessary within the terms of the constitution.

13,406. How many delegates attend these quarterly meetings?—Roughly, about 120.

13,407. Of that number, how many are women?—Probably not more than ten.

13,408. But on the committee which, you say, meets every week, there are no women?—No. There are, of course, upon the local committees, but not upon the central committee.

13,409. And the central committee deals finally with the disputed claims?—The general delegates' meeting deals finally with them.

13,410. But that is three months afterwards?—Yes.

13,411. Practically women do not have very much to do with the administration?—No.

13,412. Is that due to their own apathy?—Yes, women have exactly the same right as men. There is no restriction either in the constitution, or in any other way.

13,413. With regard to incapacity for employment, if an insured person is incapable of following any ordinary employment, do you pay him his benefit?—Yes.

13,414. But if he were capable of following employment akin to his usual employment, would you pay him benefit?—No.

13,415. For instance, take the case of a blacksmith. Quite conceivably a blacksmith may, not through accident, lose a portion of the gripping power of one hand, which might incapacitate him from following his employment as a blacksmith, but he might go round to the other side of the anvil and become a striker. Would you pay sick pay to that man?—While the condition of his hand was amenable to treatment and was not chronic we would pay benefit to that man, but when it became chronic, and was not amenable to treatment, we should then say, "You are capable of doing other work, and you must do it. We cannot pay you sickness benefit."

13,416. Then would you suggest the periodical medical examination of insured persons to ascertain if they are fit for some suitable occupation?—Of course we have the periodical examination every week. They have got to produce their continuing certificate. If we had any reason to doubt the certificate, we should appoint a medical referee, and refer the matter to him to decide.

13,417. I suppose the question of transfer is dealt with by a subordinate in your office?—Yes, we have an organisation that deals exclusively with transfers, one official dealing with transfers in, and the other dealing with transfers out. The two, of course, are never regarded from the same point of view. That is to say, the person dealing with the one does not deal with the other, and each transfer, either in or out, is dealt with entirely on its own merits.

13,418. It is quite conceivable that you, as head of a very large organisation, are not cognisant of everything that takes place in your office, or with every detail of administration?—I give instructions regarding the principle under the direction of the committee, but I have no reason to believe that my instructions are not carried out.

13,419. Is it a fact that you refuse all transfers, when they are first applied for?—No; it is a fact that we refuse all transfers that do not conform to our rules. If the person conforms to our rule, and gives a good and sufficient reason for desiring the transfer, we allow him, but if he does not, we do not allow him to transfer.

13,420. If a certain society were to say that on every occasion on which they had asked for a transfer, they had been refused, you would say that that society was singularly unfortunate?—I would say that probably the members of that society were singularly unfortunate in the reasons which they gave for desiring the transfer.

13,421. (Mr. Thompson.) With reference to the comparative rate of sickness of men and women, suppose that all improper claims could be eliminated, would your experience lead you to expect that the sickness of

the men and women would show much difference, or would approximate?—I should say probably that there would still be a greater sickness experience among women than among men, even if all improper claims were eliminated.

13,422. Would you say much greater?—I should think probably at least 10 per cent.

13,423. You think, probably, that the standard which is recognised as an official standard to some extent is in excess of the necessities of the case by rather more than 10 per cent.?—No, I should be very loth to suggest that the standard is incorrect. I do not know what that standard is.

13,424. You have been greatly impressed with the necessity of keeping below what is recognised as the official standard?—Yes, we have recognised the absolute necessity of keeping below the standard, for the simple reason that if we do not do it now, when trade is good and conditions are favourable, the average will be bound to be greatly exceeded in unfavourable conditions.

13,425. To some extent your society has directed its course by that standard?—No, we have simply gone upon the experience. Whether the standard was exceeded or otherwise, we have had to meet the claims that have come against us, irrespective of whether they conformed to the standard, or not, so long as the conditions are complied with.

13,426. You think that there has been no case of hardship owing to the desire to conform to the standard?—I should say that the idea of conforming to the standard has never been present to anybody's mind. It was an absolute impossibility, because we could not tell from week to week what the position was. We could only give authority to pay in proper cases, and it was only after we got out the six months' statement that we were able to compare it with the standard.

13,427. Have you had any representations from the local committees favourable to the principle on which you are proceeding as to the payment of claims?—We have had very favourable comments made upon the way in which we are dealing with them, the promptness with which we authorise payment, and so on.

13,428. But as to the principle on which the sick claims are paid?—Yes.

13,429. Has there been any manifestation of approval, or disapproval, of the policy of the society in regard to the payment of claims?—Yes, our agents regard it as very suitable, because it relieves them of all responsibility, and it is certainly in their opinion a very proper method.

13,430. You have not had many manifestations of disapproval of claims not having been admitted?—No, of course, in cases where claims have not been admitted and the persons themselves have felt that they ought to have been admitted, they have appealed. I think so far that we have only had three appeals throughout the whole country as regards the payment of sickness benefit.

13,431. Have you any experience of doctors refusing to accept new members, who happen to be sick?—No, we have not had any.

13,432. You say in your outline of evidence that it is quite a common practice for doctors to charge certain fees for certificates?—Yes.

13,433. Do you say that as much as half-a-guinea has been demanded on one occasion?—Yes.

13,434. Have you any information as to whether the doctor became unpopular on account of those practices?—In certain areas it seems to have been a pretty general practice, and if one doctor charged them, they were no better off if they went to another doctor, because they were all agreed at one time about the necessity of charging, particularly for continuing certificates or declaring-off certificates.

13,435. It seems difficult to understand why a doctor may charge fees without becoming unpopular, while, on the other hand, if he refuses to sign sick certificates it appears to be admitted that he does become unpopular?—The insured person does not know but that the doctor has a right to charge for the certificate, but he does not think that the doctor has a right to with-

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hold a certificate, when the person is incapacitated, or thinks that he is incapacitated.

13,436. It comes to much the same thing: either money is extracted from the member, or money is withheld from him, by the action of the doctor?—Yes, but the one does not operate on the mind of the member in quite the same way as the other.

13,437. You think that the member does not understand the difference?—He thinks the doctor may have a right to charge before he knows better, but as soon as he knows better, he is just as much incensed against the doctor for one action as the other.

13,438. You do not think that it is recognised by the doctor that he will incur unpopularity in either case, but he does not mind doing it for half-a-crown or 7s. 6d.?—In the one case the doctor will incur unpopularity, and possibly the patient may go to his rival in the same area, but where they are all charging for a certificate, the patient cannot do so. Consequently it has not the same influence either with the doctor or the patient.

13,439. Do you think it is so widespread as that?—In certain areas.

13,440. Is your green form the usual form for payment of sickness benefit?—Yes.

13,441. In reference to compensation cases, have you any question on that form to elicit the fact whether the incapacity is due to injury or something that might come within the Workmen's Compensation Act?—When the person signs for sickness benefit he declares that the illness has not been occasioned by, or is in consequence of any accident or industrial disease, and that he is not receiving, or entitled to receive, compensation under the various Acts. Yet, notwithstanding that, we have cases in which they are in receipt of workmen's compensation, and in which it does not come to our knowledge that there is an injury until sometime after.

13,442. But when he applies for sickness benefit in the first instance, may we take it that there is a question, or not?—That form is one and the same form. The form on which he applies for sickness benefit, and the form of receipt are on the same piece of paper, so he has it quite within his knowledge at the same time.

13,443. Does he sign both at the same time?—No, he signs one when applying for benefit, and he signs the other when he gets the benefit.

13,444. When the member claims, unless he reads further to see what the receipt says, he does not have his attention drawn to it prominently?—No.

13,445. Coming to cases of misconduct, questions 11 and 12 on the form of application for membership deal with ailments in the past, and questions of health. Did you accept any cases where there was an indication in the answer to those questions that the applicant had suffered from venereal disease?—My attention has not been drawn to any such cases. There may be some among so many, and if there had been such a case, we should have rejected the person.

13,446. The rule says that you would refuse payment of benefit if the venereal disease was of less than 12 months standing, so that if the person suffered from some result of venereal disease, which he had contracted within 12 months, you would not consider it a fair claim?—That is so.

13,447. Suppose it arose from a venereal disease which was contracted prior to the 12 months, the rule would permit you to pay?—Yes.

13,448. In that case, however, the member would not be entitled in your view to claim because he would have made presumably a false declaration?—Provided, of course, the 12 months extended back prior to the application.

13,449. So you protect your funds against him in either case?—That is so.

13,450. (Mr. Watson.) You are now granting transfers for good and sufficient reasons, that is, after the first six months of the Act?—Yes.

13,451. Can you give us any idea as to the proportion of all the applications for transfers which reach you, which you have granted?—No, but certainly the proportion that has been granted has been small; in

fact, we have not had a very great number of transfers applied for at all. If we had encouraged transfers we should get far more transfers in than out, but we hold it to be an improper thing for a society to do nothing else but grant transfers, and to have the necessary financial adjustments made, when the insured person is getting no advantage. The insured person must show that he would get some advantage, before we consider it a reasonable application unless, of course, he has removed from one district to another.

13,452. Unless he can show a reason which satisfies you that it is a good and sufficient reason, you consider that you can reasonably withhold assent?—Yes.

13,453. The proportion of transfers which you have granted is small?—Yes.

13,454. So that you consider most of the applications for transfer made to you are what you call frivolous?—That is so.

13,455. Have there been any appeals to the Commission against your decision?—Not to my knowledge.

13,456. Do the persons always realise that they have a right to appeal?—Yes.

13,457. You said in your evidence that you started late. You mean that you began organising your society rather late?—Yes.

13,458. Most insured people were canvassed by societies at a fairly early stage in the proceedings under the Act?—Yes.

13,459. So that if you started late, you drew your membership, to some extent, from people canvassed already by other societies?—No. I cannot say that. We never in any case had any canvassing done at all. Those who came to us came of their own free will, or by reason of the branch of the local Co-operative Society. The 11th of May was the date of our first communication, and the Act came into force on July 15th. If we had been endeavouring to secure members as early as we might, say in January or February, we should no doubt have had a million members by now.

13,460. You think that all the members who had come to you were people who had not entered into relations with other societies?—I would not say that. We find that some persons have signed applications for two or three societies, but the great proportion of them had no relationship, nor have they had any relationship with other societies.

13,461. However they came in, you have taken very good care that they do not get out again?—Not at all. For the first six months we advertised the fact that withdrawals could be freely made, and we gave them every opportunity to get out, and placed no restrictions whatever upon them, but at the end of six months we thought that sufficient opportunity had been given, and that therefore we were not justified in granting indiscriminate transfers. If there is a person who has joined another society for private benefit, and wants to take his State benefit through the same society, so far as we are concerned we do not consider that a sufficient reason for a transfer. The same argument would apply to every member of the society.

13,462. The fact that a person has gone into some other society for private benefits, and wants to consolidate his insurance by going to that society for State benefits is not in your opinion a reasonable ground for transfer?—It is not.

13,463. Section 31 of the Act says, "Provided that such transfer value shall not be so transferred in any case where the first-mentioned society proves that the insured person voluntarily ceased to be a member of that society without the consent of the society, and that that consent was not unreasonably withheld." Have you considered the effect of those words?—Yes.

13,464. On whom do you consider that they put the onus of determining whether the transfer is reasonable or not?—Upon the society.

13,465. But the society is putting it upon the member?—No.

13,466. But you have just said that you require the member to advance good and sufficient reasons?—That is so. Our rules require that, but we have got to prove

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before the Commission that we have good and sufficient reasons for withholding the consent.

13,467-8. And you apply them by making the applicant show to you that he has good and sufficient reasons for desiring the transfer? Do you not see the difference between the two?—Yes, but there is a considerable difference between us doing it before the Commission, and the member doing it before us. In the first instance, when he makes the application, suppose it was necessary to have disciplinary measures against a member the very fact of your carrying out your rules, carrying out the Act, and another society carrying it out in rather a lax fashion would mean that the society which was doing what was conscientious and right would in every case stand to lose members, because of its conscientious attitude, whereas the lax society would naturally get all the members on transfer.

13,469. Suppose a member of your society considers your management, from his point of view, unsatisfactory, is that a reason that you would accept as justifying transfer?—It depends on what point of view. If, for instance, he regarded it as not being correct from the point of view that he had been denied some benefit, and if the denial of benefit was proper, we should not regard that as being sufficient.

13,470. Suppose a member were dissatisfied with the system of payment of sickness benefit and the official routine which you have described, would that be a sufficient reason?—Not at all, because he can take steps to try to get it altered, if he wishes.

13,471. You have expressed the opinion that there is a greater rate of sickness among women than among men, and you put the excess at about 10 per cent. Do you base your view partly on the supposed greater susceptibility of women to sickness and partly on the liability to women's diseases?—Yes.

13,472. Why did you give it as 10 per cent?—I think that that is roughly what our experience would work out at. I do not say that it would be a correct estimate throughout the country, but it is a general estimate so far as our society is concerned.

13,473. Why do you think so?—Because of the proportion we regard as being improper claims, and if we eliminate—

13,474. You have made up your minds as to what proportion of your claims are improper?—Only in a rough kind of a way, but we do regard the claims of women as being excessive, and eliminating those which we do think are excessive, though we pay them, we think 10 per cent. above mentioned would be a reasonable excess.

13,475. Have you considered what the effect upon the sickness of men would be, of such occupations as those of policemen, tram drivers, tram conductors, colliers, ironworkers, chemical workers, quarrymen, and other callings involving arduous labours or prolonged exposure to weather?—We have only taken our own membership.

13,476. You realise that there are such occupations followed by men?—Yes, and I gave you some figures with regard to some of these, showing a rather favourable experience so far as railwaymen are concerned. Regular occupation, even though arduous, tends rather to reduce the sickness experience.

13,477. You think the miner, for instance, has a favourable experience, if he has a regular job?—As a rule the miner is not regular, he is very irregular.

13,478. A policeman has a regular job?—I should say so, but I have no experience of policemen. I do not think that we have any, or not a great number.

13,479. Have you any knowledge of quarrymen?—Very little.

13,480. So you have no great amount of knowledge of those occupations among men which cause a great deal of sickness?—No, I should say that no large portion of our membership is made up of those particular classes.

13,481. Then you merely say that in your opinion the women in your society have 10 per cent. more sickness than the particular group of men in your society, and that that takes no account of those classes of men whose occupations make them particularly liable to sickness?—Yes.

13,482. You are not giving a general opinion, but only an opinion on your own society?—Yes.

13,483. Do I understand that there are 1,200 local committees?—Roughly speaking, yes.

13,484. Those committees are allowed 1s. 6d. each for administration?—Yes.

13,485. You do not inquire how the money is spent?—No.

13,486. You farm out the management to the local committees?—No, we pay that for the services rendered to us.

13,487. You make a contract with them to do the job for 1s. 6d. a head?—Yes.

13,488. That includes the very important business of sick visiting?—Yes.

13,489. Whose servants are the sick visitors?—They are the servants of the central committee, but they are appointed and controlled by the local committee on our behalf.

13,490. By whom are they paid?—They are paid out of the allowance we make.

13,491. You do not know how much they are paid?—No, we do know in certain instances, but they are not all the same.

13,492. Yet they are your servants?—Yes.

13,493. Do you seriously suggest that you can have any effective control over servants, whom somebody else appoints, and somebody else pays, and the amount of whose salary you do not know?—Our control is quite satisfactory to the local committees.

13,494. The local committee is a body consisting largely of persons who are not insured?—Not necessarily.

13,495. But in fact?—No.

13,496. Do all the local committees consist of insured persons?—No, but there are on all local committees some insured persons, and in some instances a large proportion.

13,497. Some of those insured persons may not be insured in your society?—That is so.

13,498. So you have local committees consisting partly of people who are not insured, and partly of people who are insured in rival societies, appointing and paying the sick visitors, who purport to be your servants?—Yes.

13,499. I gather in relation to the examination of sickness claims that everything that does not strike a clerk at the bottom of the scale as being doubtful, is at once passed by him?—Yes.

13,500. So that his functions are singularly important?—The clerks who pass claims are themselves persons of some experience. The lowest clerks in the organisation do not pass claims at all.

13,501. What sort of experience have these passing clerks?—We have put them into that position because of their knowledge or experience in clerical and other occupations, or because of their discretion that we have had reason to appreciate.

13,502. But neither experience in clerical occupations, nor discretion of which you have had experience in some totally different walk of life, can be much guide when selecting a man for the important business of scrutinising sickness claims?—On the contrary, he is very much more likely to be effective than the old official idea of a man who was a secretary of an ordinary private society, and who had to pass all claims handed in with very little knowledge and very little experience.

13,503. Did not that kind of man bring it before the meeting of his society?—Usually not, and the meeting of the society was usually of very little service, because as a rule it was controlled by a few individuals, and very often the certificates are brought before the meeting, after the claims have been paid, and not before.

13,504. They are reported to the meeting?—In some instances, yes, and in many instances not.

13,505. At any rate the secretary of the friendly societies knew the individual members who were claiming?—To some extent, yes.

13,506. He was in personal and official relation with the doctor giving the certificate?—On certain conditions.

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13,507. And the certificate was given by a doctor in the same town as the secretary?—Usually.

13,508. The whole thing was done locally?—Yes.

13,509. In this case you are dealing with certificates coming up from all over the country. They go in the first instance to clerks who are persons of discretion and experience of clerical work, and only the cases which they consider doubtful, are laid aside for examination by a superior?—Yes, 90 per cent. of the cases that are received are, of course, perfectly clear, and no question can possibly arise in respect of them.

13,510. That is to say 90 per cent. of the bits of paper that came before these clerks appear to be all right on the surface?—That is so.

13,511. And the clerks pass them?—Yes, and anyone, without very much experience, could pass them.

13,512. The other 10 per cent. are not settled by these clerks?—They would probably be referred to the head.

13,513. In reference to the sick visiting, the doctor's certificate is one thing, but that is not the only condition under which benefit is paid. The sick member has to observe certain rules, he must be in after six o'clock at night and so on?—Yes.

13,514. To what extent is that rule followed out?—It is followed out quite completely.

13,515. How do you know?—Because if the sick visitor finds that a person is not keeping the rule, he reports the matter.

13,516. How do you know that he reports the matter?—He reports it on the back of the form on which he pays. If he finds a person out of the house, he sends up a report on this form, stating that he has withheld sick pay, and asking instructions.

13,517. I thought the local secretary paid the sick pay?—Not always.

13,518. Does the sick visitor carry the sick pay?—Yes.

13,519. Does he only go to see the sick person when he carries the sick pay?—No, he goes on other occasions, and after hours occasionally. We leave it entirely to his discretion. Indeed we have had the sick visitor going and finding a woman, who is supposed to be in bed, washing. On another occasion a woman is found at a picture hall, and so on.

13,520. Those cases have been reported?—Yes, and the benefit stopped.

13,521. The member has not been fined for breach of rules?—In some instances, yes.

13,522. If a member in receipt of benefit has gone to a picture palace, and is breaking the rules, you would stop benefit?—Yes.

13,523. On what ground?—On the ground that if she is well enough to go to a picture palace, when she should stop in the house, she is well enough for us to stop payment.

13,524. Is not that a rather bold action to take?—Yes, but you have to take bold actions sometimes.

13,525. People have certain statutory rights?—Yes, but we always respect them.

13,526. According to your own interpretation?—It is the common practice of other societies.

13,527. Do I understand that the committee which finally settles doubtful claims does not know the names of the sick people in whose cases they are adjudicating?—No names are ever mentioned.

13,528. Is this the committee of management of the approved society?—Yes.

13,529. The names of those persons who send in the claims are withheld when the claims are being settled?—Yes.

13,530. Have you ever in your previous experience known such a practice as that?—It is very necessary in this case because it might be that this person might be an employee of the society, and it would be an improper thing, for any knowledge that came to the committee of management then might have a prejudicial effect upon the person's employment, and we take great care that nothing of the kind shall be possible at any time.

13,531. When you say employees of the society, do you mean employees of the approved society?—No, of the parent society.

13,532. Is the committee of management of the approved society an independent body, or is it the board of directors of the parent society?—The individuals are identical with the board of directors.

13,533. So that really the business of the society is, from the point of view of the member, conducted under the disadvantage that the people who have finally to settle the claims are the same people who are employing the members?—I consider that a very great advantage.

13,534. So great an advantage that you have to be careful to conceal from their employers the names of the sick persons, lest it should injure them in their employment?—We think that that is a very great advantage indeed, because they decide the question without having reference to individuals.

13,535. I suggest that full control of the thing is really in your hands?—I do not see that.

13,536. You decide what cases shall go the committee?—Any member with a special case can go to the committee without any reference from me to the committee at all.

13,537. In that case, is the member's name before the committee?—In that case the name would be within the knowledge of the secretary only.

13,538. (*Miss Wilson.*) You say that you would expect a higher sickness rate among the women than among the men, quite apart from any question of improper claims. Are you speaking of married and single women classed together?—Yes.

13,539. Would you give the same reply, if you were asked in regard to unmarried women only?—I am afraid that I should have to say that, in my opinion, there would be an excess over the men, but what that excess would be, I could not say.

13,540. A great many of your claims have been connected with pregnancy and sickness benefit after confinement?—What the proportion is I cannot at the moment say. We have had certainly a great number.

13,541. You would not at any rate put the percentage of excess as high for unmarried women, as you would for married and unmarried together?—I would not.

13,542. You said that you had only three appeals against your decisions. By that you meant formal appeals?—Yes.

13,543. To the delegates meeting in November?—Yes.

13,544. You did not mean that you have not had complaints both in headquarters and the local committees?—No, we have not had any formal complaints. A person may say that he thought that he was entitled to benefit because he had paid; that is a very usual thing. They say, "We have paid so much and we think we ought to have benefit, quite irrespective of the conditions," but so far as formal complaints are concerned, they have been very few indeed.

13,545. Apart from formal complaints, have you had any informal protests against the suspension of benefit?—At the moment I cannot say that we have had many. We may have had a few, but very few.

13,546. You are speaking for headquarters only? You have no knowledge of such complaints coming to the local committee?—If they came to the local committee, we should be bound to get them.

13,547. Have you given instructions to these local committees to send on all such letters to headquarters?—We deal with all at headquarters. The local committees have no power to reply to any letters.

13,548. Have you given definite instructions to send on to headquarters any letters from members?—Yes.

13,549. They are not to reply to them, but to send them on?—Yes.

13,550. If such complaints were oral, you would have no knowledge of them?—That is so.

13,551. So that there may be oral complaints to the local committees by people coming up, and saying that they ought to have sickness benefit, of which you

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have no knowledge?—No doubt there will have been some of that character, but even then the committees would send, and they have in some instances sent on, the complaint that was made orally by the member.

13,552. But you have no reason to think that they have done so in all cases?—No.

13,553. Under rule 18 of your rules you have power to expel any members for serious personal misconduct, and immoral conduct, apart from the question of material and wilful misstatement when they join the society. Have you used that power in any case?—No.

13,554. I did not understand whether you were refusing to pay women's sickness benefit for more than four weeks after confinement in all cases?—No. I think that I stated that we had paid for considerably longer periods than four weeks.

13,555. And are still doing so?—Yes, but we require full proof of incapacity.

13,556. Can you give any return of the number of cases in which you have paid for longer than a month, or can you give us the average time for which you have paid?—I am afraid that I have not got the average, but I have some very considerable periods, as much as 20 weeks in some instances.

13,557. You have no idea of the number of cases paid beyond the month?—I have not.

13,558. You make very strict inquiry before you pay?—Yes.

13,559. Have you sent in such cases to the medical referee?—Yes, or we have asked persons who were continuing to claim in that respect to go to medical referees, and they have refused to go, and in consequence have been struck off.

13,560. You mean to go to your medical referee?—Yes.

13,561. Did they give any reason for refusing to go, such as that they were not well enough?—No. If they were not well enough to go, we should send the referee to them.

13,562. Have you done that in any case?—Yes, in one. The very fact of not being well enough to go would in itself indicate incapacity, provided, of course, we had evidence that it was a true statement; but possibly a person may say that he is not well enough to go to get out of the necessity of going.

13,563. For that evidence you would rely on your sick visitor?—We should send our own doctor. In some instances we have sent the sick visitor, and the sick visitor has stated, when the patient was actually attending the panel doctor, that he saw no reason why the patient should not go to the other doctor, whom we asked her to go to, and who was in the same area.

13,564. Would your medical referee always be in the same area?—Not necessarily, but it would never involve a long journey to go to him.

13,565. You say that in some cases the certificate might suggest that the woman was also pregnant in addition to having the disease which was given in the first instance. Can you give us any further information about that? In what cases would you make further inquiries?—So far as pregnancy is concerned, there are gastritis, dyspepsia, and possibly others.

13,566. In all such cases, do you ask the doctor whether there is also pregnancy?—No.

13,567. What steps do you take?—In some cases we ask the doctor. In other cases we ask the sick visitor, after giving authority to pay, to state on the sick visitor's report whether the patient is, in her opinion, pregnant. She ascertains it of course by communication with the insured person herself.

13,568. If the patient is incapable of work, why should you want to know whether she is pregnant as well as knowing what is on the certificate?—We find so many instances in which there is no actual incapacity. The doctors do not sufficiently distinguish between what does, and what does not, incapacitate, and that is exactly what we want to ascertain.

13,569. If the certificate has gastritis on it, why should you want to take it any further, if you have reason to think that the person is incapacitated?—We do not think that gastritis as a rule does incapacitate.

13,570. (Dr. Smith Whitaker.) In your rules I notice that you provide for not being liable for payment where a patient is suffering from venereal disease, or the effects of the disease, if contracted within 12 months. But you also disclaim liability where the disease is due to misconduct generally, apart from venereal disease. The words are "immorality or disorderly conduct"?—That would apply to a person fighting or something of that sort.

13,571. How would you regard it?—We would regard it as some incapacity induced by immorality, fighting or something of that sort.

13,572. You have provided for fighting, wrestling, drunkenness and venereal disease, and also for immorality and disorderly conduct. Does that mean anything different from any of the other things, or is it merely a repetition of the other things put together?—I would regard it merely as repetition.

13,573. For instance, if a man brought on an illness by over-eating, or improper eating, you would not regard that as a matter that you are entitled to go into?—Not at all.

13,574. As regards drinking, you confine it to drunkenness?—Yes. In relation to the questions which I was asked last week (Nos. 12,337 and 12,338), I am afraid that when they were asked, I did not have sufficiently impressed upon my mind that the point was in reference to venereal diseases in relation to women only. As stated at the beginning, we have had few cases of venereal diseases, so far as women are concerned, and the names I have given there were certifications in connection with pregnancy, and not with regard to misconduct. The names I ought to have given should have been endometritis, periostitis, prostatitis, instead of those that I gave.

13,575. In Question 12,291 last week you replied that you sent that particular patient to the medical referee, and his certificate was that the man was suffering from varicocele, which was the result of misconduct. You were asked yesterday about the case, and I think that you produced the certificate and found that you were under a mistake in giving that reply?—Yes, because it was not the medical referee who stated that he was suffering from varicocele, but another doctor that he went to. The facts were correct, but we were mixed up as to the individual who gave it.

13,576-7. One doctor certified that he was suffering from varicocele, and another that he was suffering from the results of misconduct, but you had no doctor who certified that in that particular case varicocele was the result of misconduct. If you drew that inference, it was by putting the two certificates together. One doctor certified varicocele but not misconduct, and another certified misconduct, but did not certify varicocele?—Yes, and the third doctor certified for hernia.

13,578. I am on the point that nobody did certify that the patient was suffering from varicocele which was the result of misconduct?—That is correct.

13,579. Have you the certificate of the medical referee with you?—Yes.

13,580. Would you read it again?—"In reply to 'yours of the 30th inst. re—, his condition is due to misconduct.'"

13,581. What do you understand that to mean?—We understood that it came within our rule 11 (24).

13,782. Do you mean that it was the result of fighting?—No.

13,783. What do you understand it to mean?—That must be read in connection with the letter that we sent to him. "This man's case was certified as 'suffering from hernia and varicose veins in May last. He states his condition is due to an accident. We called upon him to claim compensation which he has done without success. The doctor declared 'that there was no hernia, but that he was suffering from varicocele, and it was not caused by an accident. Subsequently we had reason to believe that the varicocele was the result of misconduct, in which case we never pay any benefit. We shall be glad to have your report after examination.'"

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13,584. What the doctor gave you was a letter, and his letter must be read in the light of the letter to which it was a reply?—Yes. It really makes my statement correct, though not in quite the same terms as given.

13,585. And you did not inquire further what was the nature of the misconduct?—We did not.

13,586. Is there one referee whom you employ in all cases?—Not at all. We have a fresh referee in every district where necessary.

13,587. What is the kind of practice in which the gentlemen whom you employ as referees are engaged?—They are general practitioners.

13,588. You do not employ consultants?—No.

13,589. They are chosen, I suppose, by you personally?—No. Generally we ask the local committees to recommend a doctor, if we do not know the locality, and we appoint, of course.

13,590. You are guided by the local committee?—Yes.

13,591. I think you say that there are over 70 cases in which you have reported the doctors for not fulfilling their obligations in the matter of stating the nature of the illness?—That is so.

13,592. You mentioned certain areas, Bradford, Stockport, Great Harwood, and other districts in Lancashire, Yorkshire, and Cheshire?—Yes.

13,593. Does that mean that these are the only districts in which you have had occasion to complain of this?—No. There are Flintshire, Devonshire, and Birmingham.

13,594. Am I to understand from this statement in your outline of evidence that the cases have been more numerous in those counties of Lancashire, Yorkshire, and Cheshire?—Yes. In Cheshire there were not so many cases. They very speedily remedied it. The insurance committee was quite emphatic right at the beginning, and they settled the matter. My contention with the Lancashire Committee, particularly with regard to illnesses, was that they did not insist on the contract being carried out, and the difficulty in Lancashire was very acute; and it was only when the Lancashire Insurance Committee passed a resolution that the doctors should not be paid, unless they complied with the terms of the contract, that compliance was made. It was made within 48 hours of the passing of the resolution by practically all the doctors of Lancashire, though they had been in a very impenitent state before that.

13,595. You know that there was a special difficulty in Lancashire in this matter?—Yes.

13,596. The doctors in Lancashire took the lead in urging that this should not be stated on the certificate?—In my opinion, it was very largely induced by the inactivity of the Lancashire Insurance Committee.

13,597. That trouble was temporary. You have got over it?—Very largely. Occasionally one or two doctors throw obstacles in the way even now.

13,598. What is the nature of the obstacles?—Stating debility instead of specific diseases.

13,599. Have you gone into the matter with the doctor or the committee to whom he is responsible?—Yes.

13,600. What have the doctors said?—That they cannot give any other reason for the incapacity, but when pressed, we find that they do give other certification.

13,601. That only applies to one or two individuals?—Yes.

13,602. Do you mean that you have the same trouble more than once with the same doctor?—No; when we settle it with one doctor, we settle it for ever.

13,603. So it is gradually clearing up?—Yes.

13,604. About these cases of payments demanded from patients, I think you divided those into two groups: first, where payment has been demanded for giving certificates, and second, other cases to which I will come to presently. The majority were cases of certificates?—Yes.

13,605. Has that ceased now?—I could not say that it has entirely, yet.

13,606. In what districts was that?—I should have to refer to the cases to give them particularly. I have

a case here where the doctor demanded 3s. 6d.; another demanded 10s. 6d.; and another 1l. 1s.

13,607. Take the first case. Have you any case where the doctor demanded a fee for giving a simple certificate, such as that in the form issued by the Commissioners, a declaring-on certificate?—Yes.

13,608. Did he demand a fee from you or from the member?—From the member.

13,609. About what date would that be?—In October of this year.

13,610. Where was that at?—At R—

13,611. Did you take any action?—Yes. The matter was reported to the insurance committee, and the insurance committee called upon the doctor. He did not first of all demand 10s. 6d. He only demanded, if I remember right, and I am speaking from memory, half-a-crown.

13,612. The insured person, being ill, wanted to claim sickness benefit?—Yes.

13,613-6. And applied to the panel doctor on whose list he was for a certificate?—Yes, the insurance committee took it up from that point of view, and I do not think that they would have done so, unless the person was on that doctor's list.

13,617. The doctor demanded, for signing a certificate, half-a-crown?—Yes, subject to the half-crown being correct, he did.

13,618. Was that the first case of complaint against that doctor?—I could not say whether it was the first or not.

13,619. Was it the first you had?—It was the first I knew of.

13,620. Can you say definitely, or do you suppose that the doctor had gone on from January to October charging for every certificate he gave the insured persons, without the whole matter being previously gone into?—Of my own knowledge, I could not say.

13,621. Do you know of any special reason why he should have demanded half-a-crown in this case, and not in other cases?—So far as my information goes, there was no special reason.

13,622-3. You reported to the insurance committee?—It was reported to the insurance committee by some other society. I am speaking from my knowledge of the working of the Lancashire Insurance Committee.

13,624. Of course, that would be in the area of the Lancashire Insurance Committee?—That is so.

13,625. What happened then?—The insurance committee called upon the doctor to refrain from charging for such certificates, and also to repay the amount to the insured person.

13,626. Are you yourself a member of the Lancashire Insurance Committee?—I am.

13,627. Did it come within your knowledge whether there had been any other complaint against this particular doctor in respect of the same matter?—Such had not been officially reported to us. Whether or not it had been to the office, I do not know.

13,628. Do you suggest that the committee could have had many complaints made to it about one doctor charging for such certificates, without such complaints having come before you?—I think that at an early date it was possible that a great many communications were not placed before the committee.

13,629. I understood that this was in October?—This particular case was. It was in October when it was reported to the committee.

13,630. Have you no means of forming an opinion as to whether this was the first case, or the only case, with regard to the practice of this particular doctor?—Well, it was the one case actually reported, but whether there were other cases that had not been reported to us, I do not know. We can only judge from the general statement, and I particularly prefer not to use any general statements in my evidence. I simply want to give you what is within my own knowledge.

13,631. It came to your knowledge simply as a member of the insurance committee?—That is so.

13,632. What action did the insurance committee take?—It called upon the doctor to refrain for the future from charging for such things, and to repay to

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the insured person the money that had been previously paid.

13,633. The reply of the doctor to that was that in future the charge would be 10s. 6d. for a certificate?—Yes.

13,634. Did you have, within your knowledge, any case in which he charged 10s. 6d. for a certificate?—I do not know that a case has been actually reported, where it has been done, but he himself stated quite emphatically that that was his attitude.

13,635. Do you say that you know of many cases where the doctor has charged for a certificate?—Yes.

13,636. In the area of the Lancashire or Manchester Committee?—In the area of the Lancashire Committee, in the area of the Yorkshire (West Riding) Committee, and in the early days of the Manchester Committee.

13,637. Have you any reason to think that such charges are still being made?—Generally speaking, I do not think that they are; in a few isolated instances they are.

13,638. Have you knowledge of such cases?—Yes.

13,639. How did they come to your notice?—Generally speaking, the local committee reports the matter to us, and we take it up with the doctor. In many cases we do not report at all to the insurance committee, but we take the matter up direct with the doctor, and get it adjusted with him in that way.

13,640. These are cases of the ordinary declaring-on, continuing, or declaring-off certificates which the doctor was under agreement to provide free of charge?—That is so. In the West Riding the insurance committee takes it on itself to interpret the rules of the society, and advises the doctors as to whether they could charge for declaring-off certificates.

13,641. What generally do they decide on the point?—The committee ask for a copy of the society's rules, and if, in their opinion, the rules did not justify the society in asking for a medical certificate when declaring off, then they advise the doctor that he is not justified in giving that information.

13,642. Have you any information as to the principle upon which the committee decided whether in its judgment the rules did, or did not, put the obligation on the doctor of providing the certificate? Can you tell us what principle of discrimination was gone upon?—I cannot; I can only say that in a particular case the question was whether, in his opinion, the doctor was justified, or not justified, in giving us the information or issuing the certificate.

13,643. You do not know upon what authority in the rules the decision is based?—They say that our rules do not require a certificate from the doctor, but we contend that the rules do require a certificate. You will see this from Rule 11 (6). Rule 11 (5) states that an insured member shall send a notice of illness to the local secretary, and so on, in a form to be obtained from him, with a medical certificate or other sufficient evidence of incapacity and the cause thereof. And Rule 11 (6) states that the insured member shall in like manner send to the local secretary a declaring-off note, as soon as he is capable of work, and before returning to work. We hold that by the words "in like manner" the doctor should give a declaring-off, as well as a declaring-on certificate.

13,644. Then it is a question of legal interpretation of that rule between you and the West Riding Insurance Committee?—Yes. We hold the insurance committee to be wrong in interpreting our rules, and that all they have got to do is to call upon the doctor to fulfil his obligation under the contract.

13,645. On the ground that it is part of his obligation?—Yes; it seems to us that it is part of his obligation, because he contracts to give these certificates when they are necessary.

13,646. The point is, in this particular case, that it would appear that it is at least open to question whether, in fact, the doctors are failing to carry out their agreements?—Yes.

13,647. And the West Riding Insurance Committee held that on this particular point they were not failing to carry out their agreement?—Yes, that is so.

13,648. There is a difference of opinion which we cannot go into here?—Yes.

13,649. Does that apply in any other case which went before the committee as to difficulties about the interpretation of the agreement?—Not to my knowledge.

13,650-2. In the other cases the committee held with you that you are entitled to these certificates, and they have taken action, at any rate, recently, in support of your view?—That is so.

13,653. And the result of that is that doctors have given their certificates, and you have very little trouble now on that score?—Very little now, except a few isolated cases.

13,654. As regards the other cases in which doctors charged, I understood you to say that there were three cases in which the doctors charged for other things than for certificates, and that some of them were cases in which the doctor supplied the medicine to the insured person, and then made a charge for supplying the medicine?—Yes.

13,655. Were they all cases of supplying medicine?—Two of them were for supplying medicine.

13,656. What was the third?—The third was in relation to certificates, and with that we have dealt.

13,657. There were only two cases apart from the certificates?—Yes. I have another case where an account was sent for 25s. I intended to refer to that a little later.

13,658-9. Shall we take it that the two cases in which a charge was made for medicine were from Lancashire?—Yes. From near Manchester, in the area of the Lancashire Committee.

13,660. The doctor gave medicine to an insured person; is that so?—Yes.

13,661. You do not know whether it was at the request of the insured person or not?—No, it was alleged, in one case, that it was at the insured person's request.

13,662. Without expressing an opinion on the matter one way or the other, you will appreciate that giving medicine was entirely outside his contract?—Yes. It is not in the contract to supply medicine, but there are such things as anti-toxins, for instance, which are not upon the drug tariff at all, and difficulties would arise in those cases under the contract.

13,663. What do you mean by saying that difficulties would arise in that case?—Where anti-toxins are required, and are not upon the list, where are they to come from?

13,664. What has the tariff to do with it?—The insured person is restricted to this tariff apparently in certain districts.

13,665. Can you produce any form of agreement in which this is the case, or do you know of any area where they are so restricted?—Chemists are restricted from supplying anything that does not appear on the schedule.

13,666. Can you show us that?—Well, there are certain things I am not, perhaps, too well acquainted with, and this particular schedule I have not seen; but I know that it has been stated that anti-toxins are not to be supplied by the druggists, and, as a consequence, the doctor has supplied anti-toxins. The question, as I understand it, was whether a doctor was justified in supplying medicine.

13,667. No, the question was, what did he do?—I cannot tell whether he supplied medicine or not, but I can say that he made a charge against an insured person.

13,668. I understood you to say, in answer to a previous question, that the facts were that the doctor had supplied medicine to an insured person, and that he had made a charge to the insured person for the medicine supplied. That is what you told us before?—That is so.

13,669. And we are asking now whether, in supplying medicine, he was doing something within the contract or something outside the contract?—Here my difficulty comes in, because I do not know exactly what his contract is, but it certainly was not a case where a doctor was generally permitted to supply medicines.

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13,670. Was any complaint made to the committee in respect of these cases?—The matter was under discussion before the insurance committee, but not with respect to a specific complaint. There are certain doctors on the Lancashire Insurance Committee, and they stated that it was their practice to make charges of this kind for supplying medicine at the request of the insured person.

13,671. Medicines that they were under contract to supply without charge?—Yes.

13,672. Are you sure of that?—Yes.

13,673. Did you follow my last question?—I did. They put it this way: that if a person comes to them—

13,674. (Chairman.) I thought you were going to give a specific complaint against an actual doctor. It is the actual facts of an actual case we want?—I have had no actual case of formal complaint.

13,675. I think that disposes of the matter, if I may say so?—Yes, but in the case of the 23s. we had a formal complaint.

13,676. Can you tell us what happened there?—Yes. I am trying to find that case.

13,677. (Dr. Smith Whitaker.) I understand that the complaint you have in mind is a complaint which is now under the consideration of the committee?—Yes, that is so.

13,678. And the result is not yet declared?—That is so.

13,679. Then I do not think we need go farther into it?—Very well.

13,680. You gave, in answer to a previous question, a statement that you know of an insured person who did not take the doctor's prescription to the chemist for some time after he had received it. How did you get to know that?—I think the doctor intimated in some way that that was the case.

13,681. What had the doctor in his mind in connection with the matter?—Well, the doctor did not consider that the insured member was treating him rightly.

13,682. You mean that he felt that the insured person was not carrying out the treatment ordered for him?—Yes. And he lodged a formal complaint against the member. For doing so we were extremely obliged to the doctor, and told him so, and we are now investigating that case.

13,683. As a breach of your rules in not carrying out the doctor's orders?—That is so.

13,684. You say in your outline of evidence that the unrestricted free choice of a doctor is an evil, and then you make three statements following, namely:—(a) that when the society had one doctor, there were no excessive claims; (b) when the society had two doctors, sickness experience increased; and (c) when there was free choice of doctor, sickness experience further increased. Is that statement based on your previous experience of the working of the society itself?—Yes.

13,685. Are you aware that the different branches of this society had different systems in operation?—New lodges had this system in operation.

13,686. You mean had the same rules?—Yes.

13,687. Under some of the rules there was one doctor, and under some, two doctors, and some rules gave a free choice of doctors?—They had more than two.

13,688. I understand that you had the sickness experience of these different places carefully worked out?—Yes, some years ago I worked them out, and I found a very great difference in the sickness experience extending over a number of years.

13,689. You made allowance for differences of age, distribution, and everything of that kind?—No, it was just a general experience. Where there was only one doctor the average age would be greater, because in one case I have in my mind it had been in existence for 25 years, while in other cases they were of comparatively recent origin, and the average age of the later lodge was less than the average age of the older lodge.

13,690. Was there any difference in occupation between the members of different lodges?—They

were all in the same area, and the occupations would be pretty similar.

13,691. Has your society any branches in North East Lancashire, in Rossendale, Burnley, and places of that kind?—It had, but I have no personal experience of them.

13,692. You know nothing of the working of medical benefit in those districts?—Not earlier than the National Insurance Act.

13,693. And no records of their sickness experience come specially under your notice?—That is so.

13,694. At any rate you did not know, as having been associated with the administration of the society, of any complaints that the society was suffering from greater sickness in those particular districts?—No, beyond what we know of the Manchester area particularly, and that covers, of course, a great many towns, and also country districts. We get the records in one total for that area, and what was found as regards the Manchester area would cover the towns you indicate.

13,695. So that, if they had an excessive sickness, the burden would fall on other parts of the Manchester area?—That is so.

13,696. You have heard no complaints from that district?—Generally speaking, their sickness experience was fairly low. I do not mean low as compared with the rest of the order, but low as compared with the general average of sickness experience throughout other organisations.

13,697. (Chairman.) With regard to section 47, are there a great many people in your society to whom it applies?—I should not say a great many, but there are some. I am afraid that I could not give you any figures.

13,698. Could you give us a rough idea?—It would be very difficult to do that. We have a number of areas where section 47 has been applied, but the number of the members of our society in those areas would not be very large.

13,699. So if you have a lower ratio of sickness claims than other societies, it would not be owing to the fact that a great many of your people were under section 47?—Not at all. It would have a little effect, but very little.

13,700-3. That being the case, have you any knowledge of the kind of experience other societies are having in relation to claims?—No, I have only definite knowledge of one other society, the Sons of Temperance.

13,704. You are a member of the Lancashire Insurance Committee, and you meet a great many friendly society members from within and outside the area with which it deals, and you hear them talk and hear their views about their claims, and their complaints?—Yes.

13,705. What sort of complaints do they make as a rule?—Generally speaking, that their claims were excessive.

13,706. Supposing that what they say is true, what reason do you advance for the fact that your claims are less than theirs?—A better class of membership generally.

13,707. That is the sole reason?—I think so.

13,708. Do you seriously say that, Mr. Smith?—I do; I know of no other cause.

13,709. Then who are your members? I began my whole examination by asking that?—Generally speaking, they are the members of the local co-operative societies throughout the kingdom.

13,710. That I realise?—And also the members and their families. I should regard them, next to teetotal members, as probably the best sort of lives in such societies anywhere.

13,711. What is the difference between the people you get in the co-operative movement, and the class of educated artisans generally. Do you not get the good class of educated artisan?—Yes; but I should not say that we are exclusive in that respect.

13,712. You are very strong in Lancashire?—Not so large as in Yorkshire.

13,713. Well, in Lancashire and Yorkshire?—We have a fair number.

13,714. You have a number of weavers, I presume. Suppose you find that your experience is lower than

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[Continued.]

other societies to which weavers belong, to what do you attribute that?—We have weavers, but we have not a large proportion of them. I should say that trade unions have to take all kinds of lives without there having been any test of any kind as to the lives they were taking.

13,715. Is it not a fact that you stated to the people who were in the trades unions that they should go to their union, that you did not want to be bothered with them?—Yes.

13,716. So that those people who have been in the trades union would be rather encouraged to go into the union if they were members of it?—Those that would be members of the union, probably 80 per cent. of them.

13,717. Suppose you adopted the policy you described to me last week, they would be more likely to go into the union than remain with you?—Yes.

13,718. So that what you would get would be those who do not belong to the best organised trades?—Yes, the few that we do get.

13,719. I think you will agree that, roughly speaking, of the industrial workers of the country, leaving out the agricultural members, the better lives and the very thrifty people would be in the better organised trade unions, is that not so?—The thrifty people certainly, but at the same time you have to remember that a great number have suffered, and would not be regarded, before their entrance into the National Insurance, as normal lives.

13,720. I know that; but what I am trying to get from you is how it is that you have managed to get the best lives. You say that your members consist of two classes—first, those persons who are employed by the Co-operative Wholesale Society itself, and then those people who are not employed by the Co-operative Wholesale Society, but who are customers of it?—Yes.

13,721. Are these two different classes of persons?—Yes.

13,722. And would you say that different motives actuated these persons in joining your society?—I should not say that the motives would be very much different.

13,723. What were the motives?—The motives were generally to be associated with those with whom they were in connection in another direction.

13,724. With persons with whom they were associated in buying and selling, or in partnership?—Yes, they were associated with fellow-workers in a particular arrangement, and they would also like to be associated with them in the same approved society.

13,725. What was it that made them come to you?—Because they believed that, under our arrangements for economical management, they would be likely to get some advantage in that direction. The organisation was there, and it could be worked with great economy, consequently they would save on the administration account, and that, of course, would go to the advantage of the member.

13,726. You say that the organisation was there, what organisation was there?—The organisation that I outlined to you last week of the local branches, attached to the central institution.

13,727. Then that is why you say it was likely to attract the best lives to the society?—Yes.

13,728. And therefore you have got this low experience?—Yes.

13,729. For men and women?—For men and women, but, of course, we have got a certain proportion that are not good lives.

13,730. You have been very fortunate?—I think so.

13,731. And yet you find that among your members there are a great many, especially among your female members, who were suffering, as you think, from all sorts of complaints of an unpleasant nature, owing to their own misconduct?—I think that I stated that, so far as women were concerned, it did not operate very greatly, but only to a slight extent. It was greater so far as men were concerned.

13,732. You referred to cases of women who were pregnant, and who, you thought, brought abortion upon themselves?—There were such cases.

13,733. Is it serious at all? Would abnormal conduct of this kind have any serious effect on the finances or the working of the society?—Well, it may not have a very serious effect on the finances, but it would have an appreciable effect.

13,734. You mean that there is an amount of undetected business of this sort going on which would affect the funds of the society?—Yes.

13,735. And in spite of that fact you have an exceptionally low ratio of claims?—I have not got any figures for other societies.

13,736. I know you have not, but what do you suppose?—Yes, I know the effect generally, but it is very difficult to get actual figures.

13,737. The only reason you can allege is a careful selection of lives?—Yes, we have had a careful selection of lives.

13,738. You did not have a medical examination?—No, except where we demanded it.

13,739. You did not select the lives in the way the old friendly societies did by medical examination?—Our methods were equally efficient on that point.

13,740. As a fact you did not?—Only with respect to not requiring a medical certificate in each case; that is the only difference in the selection.

13,741. In the Sons of Temperance you did not admit any member without medical examination?—No.

13,742. You did not follow quite the same methods?—In respect to medical examination, no.

13,743. That is all I am asking you about. You have had the magnificent good fortune to make this wonderful selection which brings you out with a more favourable experience than that even of the old friendly societies, where they did require a medical examination?—Yes.

13,744. Does that not suggest that there must be some other cause?—I do not see what the cause is; I do not know of any.

13,745. Let us see what you do. When a claim is brought forward by a woman suffering from certain diseases, do you not assume the attitude of mind that the person with regard to whom the complaint is certified is in one of two conditions: either pregnant and concealing the fact with the fraudulent assistance of the doctor, or suffering from venereal diseases brought on by her own misconduct?—We do not regard it in that way at all.

13,746. You do not do anything to discourage such claims?—Only in certain instances.

13,747. You told us this morning that you at once assumed in certain cases, if a woman was pregnant, without the complaint being on the certificate, that she was trying to conceal something?—We have had so many instances where that has been the case, that we have to regard with suspicion cases that have been so certified.

13,748. Does it not strike you, if you take that point of view in every case, that the result must be that many women are unable to bring forward their claims?—Not at all.

13,749. You spoke of the case of a woman of 29; where did she live?—In the Manchester area.

13,750. In what part of Manchester?—A couple of miles from the centre.

13,751. What had she to do? She had to go up to Manchester, and appear before a committee of five men in connection with the pregnancy case?—Yes.

13,752. And show that she had a right to receive the benefit?—Yes.

13,753. And you thought that that showed a lack of delicacy on her part?—I do. Yes. If there had been the slightest evidence of incapacity, we would have paid.

13,754. Nothing struck me more than that observation which you made yesterday. It seems to me indelicate for five men to sit there, and ask the woman to come before them?—I quite agree, but we did not ask the woman to come there.

13,755. You did refuse her benefit?—Yes.

13,756. And she was entitled to prosecute her claim?—Yes.

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[Continued.]

13,757. And the only means by which she might prosecute her claim was by appearing in person before a committee of five men?—Yes. At the time the committee were appointed, we did not know but women would be appointed, and it is the general delegates themselves who appoint the committee, and they might just as easily appoint women as men.

13,758. They did not. The fact remains that there were five men sitting in judgment on this wretched girl who was suffering from this misfortune, or sin, or whatever you like to call it, but who had to go before this tribunal in those circumstances to argue a question of 7s. 6d.?—Yes.

13,759. I say—and this is the point—if this is the practice—I am not surprised at your claims being low?—That may be the case, but so far as my experience goes, I can definitely say that we certainly do not feel—in fact we resent the suggestion—that our experience is the result of any such thing.

13,760. I am giving you an opportunity of giving me some cause?—What I do believe is that many of the societies, the smaller societies if you like, are absolutely unable to check this kind of thing. They are absolutely unable to check malingering of one kind or another, and the local secretary is not in a position to contest the matter against the doctor. He is not in a position to contest it against the individual claimant, because in the first instance he does not know what a person is, or is not, entitled to.

13,761. I should expect to find in a good many of these cases some inefficiency of administration which might result in greater claims, but your experience is better than the best experience we could hope for?—I think you will find, when some of the other societies produce their results, that their experience will be equally favourable.

13,762. What I want to suggest is that you have none of the ordinary checks which are set up by the ordinary societies to check this very thing. You have not relied upon sick visiting as your main weapon in doing so?—It has its effect.

13,763. It is not your main weapon?—In cases of malingering, I should say it would be.

13,764. Your local administration of sick visiting and such like is severed from your central administration—probably to a greater extent than in most societies?—That is so.

13,765. And that would be a special feature of your society?—Yes.

13,766. There is very little attempt from headquarters to see exactly how much sick visiting is done, and what the sick visitors are paid?—Yes.

13,767. That is a very startling fact?—Possibly.

13,768. And when you couple with that the very low sickness rate, can you explain how this low sickness rate is produced?—The fact that the local societies take a pride in doing their work efficiently.

13,769. Now just one other thing. You told me when an application for a transfer was made to the central body the names were not put forward, but they were discussed on certain principles?—Yes.

13,770-1. Does that happen in all cases, when a person makes an application to be allowed to transfer?—Yes, according to our rules he has to give the reason in writing, and when it comes before the committee of management, it is decided upon certain principles. The principles are that if the person can say that he is going to be better off by a transfer, it would be granted.

13,772. Without the name of the member being before them?—No.

13,773. Does it in fact go before the committee of management?—Only in the case of appeal.

13,774. Whom does he appeal from?—He appeals as an individual member.

13,775. Your rules say that, when a member wants a transfer, he must make an application, and that the

application must go to the committee of management?—In fact it does not go to the committee; the committee of management appoints a person to deal with these cases of transfer.

13,776. Who is the person so appointed? Is he a clerk?—Yes, and he deals with them on certain principles.

13,777. What happens then?—Then, of course, he informs the individual whether a transfer can, or cannot, be granted.

13,778. What are the principles?—That there is to be some distinct advantage to the individual by reason of a transfer. In those cases the transfer would be granted, but in the case where the person simply says that he wants to go to some other organisation, it would not be granted.

13,779. Why not?—Because we feel that the members have had full opportunity to choose the particular society which is most suitable to their needs, and it would not be right to allow indiscriminate transfers; it would involve a lot of clerical work, and there would be practically no advantage of any kind to the member, and in some instances there might be a disadvantage. Very often the very reason which he gives indicates that he has some erroneous idea.

13,780. Would not that be an excellent reason for sending for him and talking to him?—We cannot send for every individual when we have them all over the country.

13,781. Why not? You have local committees all over the country?—Yes, we have local committees, but we do not rely upon them to deal with cases of that kind.

13,782. It really comes to this, that the man, in order to get his transfer, must satisfy you that it is going to be a distinct advantage to him?—That is so.

13,783. How many transfers have you allowed since the beginning of the year?—I could not tell you, but we have had some scores of applications.

13,784. Suppose a man said: "I do not like the society, and I prefer to be in a society where, for example, I am allowed the use of weapons"; or suppose he said to himself: "Some day I may want to go out with a gun. I see this rule forbids me to use weapons. If I hurt myself with my weapon in my hand, I cannot get sickness benefit." He has got a distinct disability there. Why may he not go out?—In that case we should allow him to go.

13,785. But suppose he wrote to you, and said he wanted to leave your society, and gave as a reason that he wished to join the local branch of the Foresters, or some other society, but had in his mind, perhaps, the reason that he wants to use weapons, is not the reason he gives good enough?—We do not think so, because certain societies lay themselves out to get transfers.

13,786. That is another matter?—It is the case; it is the actual fact.

13,787. Is it now?—It is.

13,788. In that case, would it not be better to consider whether the particular society to which he wishes to transfer was making what you regard as an unfair attack?—Our feeling is that it would be very much better if all societies could agree to refuse, rather than to grant transfers. So far as we are concerned, it would be a distinct advantage to grant transfers, and at the same time to get transfers from other societies, as the number applying to our society is very much larger than the number of those who desire to transfer from us, but we think that it is a wrong thing, and that a society ought to have a stable membership. Let other societies get as many as they can, but let them get new members who are not insured, and leave the membership as it is now.

13,789. I quite understand, and it is desirable that we should know what the situation is, and what is your view of these things?—Yes.

The witness withdrew.

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[Continued.]

Mr. F. W. DANIELS (*General Secretary of the Ideal Benefit Society*) examined.

13,790. (*Chairman*.) Are you the general secretary of the Ideal Benefit Society?—Yes.

13,791. Is that a registered friendly society which has been in existence for many years?—20 years.

13,792. What is the principle of the Ideal Benefit Society? It is not an ordinary friendly society?—No; the principle is simply this, that when the average risk of a member increases after he passes 30 years of age, a slightly increased contribution is charged. This principle places every person in this position, that he is paying for sickness benefit, and he is paying to maintain a surplus that we calculate at 25s. per member per share per annum. That brings about this, that a reserve fund is not necessary, and this 25s. is placed to the member's credit, accumulating at compound interest.

13,793. Does he draw on that sum?—No. It accumulates till he gets to 65 years of age, when it is paid out, either in a lump sum, or in an annuity purchased for him. Should death occur before 65, the full amount is payable to the deceased member's friends.

13,794. How many members have you got in the parent society?—24,500.

13,795. How many of these are men, and how many are women?—Of that number 23,000 are men and 1,500 women.

13,796. Do you admit both married and single women?—Both married and single.

13,797. The approved society is, is it not, a separate section of that society?—Quite.

13,798. And how many members have you in the approved society?—43,000 or 44,000 in the men's section, and 23,000 in the women's.

13,799. Are the two sections distinct, financially and otherwise?—Quite.

13,800. Can you tell me with regard to the 23,000 women what proportion of married women there is among them?—It is rather difficult.

13,801. Your centre is in Birmingham?—Yes.

13,802. Are your members mainly in the neighbourhood of Birmingham, or are they scattered all over England?—We have a few all over England, but nine-tenths are in Birmingham and the district—Wolverhampton, West Bromwich, Smethwick, and Coventry. Outside these areas we have a few in Scotland, and a few in Ireland, and 2,000 in Leicester and the neighbourhood.

13,803. Are they people who have originally joined in Birmingham and strayed out, or do you recruit outside Birmingham?—The nucleus forming these districts have been members who have gone to work in the new areas.

13,804. It is a centralised society?—Yes.

13,805. Governed from Birmingham?—Yes.

13,806. Is there a delegates' meeting?—Yes, one representative on the council for each thousand members, besides the officers.

13,807. But not divided into geographical districts?—Oh, no.

13,808. Generally speaking, do you think that claims are being made upon the fund which are in excess of what you regard as legitimate?—Not by what I should call parent society members, but the excess, if any, arises from members lacking education, because they have not been previously insured. I think that that is primarily the case.

13,809. Can you tell me, out of your members who are in the approved society, what proportion belong also to the parent society?—I should say that not more than 10,000 belong to the parent society. We have a very large proportion who exceed the income limit, and we have a large number of persons who are tradespeople, and a large number, too, who are members of trade unions, which they join in preference to the friendly society.

13,810. Do you think that your members on the approved side are a fair average of the insured population, or do you think that they are different?—Very much better, on the whole. I should say five-sixths of the approved members are really first-class members.

13,811. That means, I suppose, more highly paid?—That is so. Our contributions are very much heavier than in the ordinary friendly societies.

13,812. I suppose that they are the better class of artisans?—Yes, and the lower middle class.

13,813. And what are the women, for the most part?—Very largely teachers, in the first place, and assistants in shops and forewomen and the like. You mean in the parent society?

13,814. I mean in the approved?—I have them very mixed.

13,815. Is what you just said about your class only true of the parent society? You said it was high class?—In the parent society and in the approved society, five-sixths of the members would be. The only trouble is with one-sixth of our total membership.

13,816. Have you found any abnormal increase in the claims on your parent side since the Act came into operation?—Up to the end of June last we were just about the same, on the parent side, as we were in the corresponding six months of last year immediately preceding the introduction of the Act. Since then our sick pay has gone up to the end of last week about 1,200*l*. As against that, you have to set off an increase of membership of 5,000, so I cannot say that the parent society up-to-date has appreciably suffered from the State section.

13,817. There is no increase further than that which you attribute to the increased membership?—That is so.

13,818. Turning to the approved society, could you give us any figures about what your actual experience has been?—For men up to October 12th—the first three quarters—the cost was a fraction under 2*d*. per week, and for women 2½*d*.

13,819. Can you split that up into quarters? Is it quite steady all through?—No, there is rather an increase. I thought if I put it in that way, that it would be in a very simple form. I can give the men's claims and the women's claims for the three quarters. In the first quarter men's sickness 2,593*l*. 18s. 3*d*., maternity claims 1,246*l*. 10s.; and in the second quarter 3,233*l*. 13s. 10*d*. sickness and 1,263*l*. maternity; in the third quarter 2,924*l*. 13s. 4*d*. sickness and 1,327*l*. 10s. maternity claims. That totals 8,752*l*. 5s. 5*d*. sickness, and maternity claims 3,837*l*.—a total claim of 12,589*l*. 5s. 5*d*. If you notice, the figures for the second quarter are much higher than the first—about 700*l*. The third quarter appears to be down, but that includes the summer months, and naturally they would be down. I am inclined to think that this quarter will be about the same as the second, perhaps slightly heavier.

13,820. What are the figures for women?—We have paid 1,729*l*. 19s. 10*d*. the first quarter, 2,915*l*. 12s. 5*d*. the second, and 2,808*l*. 5s. 11*d*. the third—that is sick pay—making 7,453*l*. 18s. 2*d*. The maternity claims are 30*l*. for the first quarter, 27*l*. for the second, and 40*l*. 10s. the third, making a total of 97*l*. 10s.

13,821. That is not quite so good a showing as appears from the mere statement that you are just a fraction under 2*d*.?—No, I put it that way purposely, because I thought it was the most effective way of showing it.

13,822. If you extended these figures, if you weighted the average down to give the effect of what looks like the normal, which looks rather like the second quarter, what would it come out at?—I do not think on the year that it would exceed 2*d*. and a very small fraction. I do not think that it will be worse for the year than for the three quarters. I think the third quarter is a very good test, and that the first quarter was a bad one from the health point of view. In the first quarter persons were not in benefit.

13,823. And perhaps there were people who did not quite understand what their rights were?—I have not come across many insured persons who have not known their rights.

13,824. Still a good many were not in benefit?—That is so.

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[Continued.]

13,825. The only people who were in benefit at the beginning were people who were quite steadily employed?—And had actually paid for 26 weeks.

13,826. I understand you to say that you think that as far as these claims come from persons insured on both sides, they were proper claims?—I think that they have been, and those which have not been are simply due to lack of knowledge. There is a general feeling that it is a State scheme, and that they will get as much out of it as they can.

13,827. When you say that, do you mean that that is what people have said?—Yes, it is common talk.

13,828. Is that growing or diminishing?—Diminishing. I have attended 33 meetings up till the night before last, and they have been astounded at the real position they are in under the Act—that in reality, if they squander their funds, they are taking so much money out of their own pocket, and if on the other hand, they are economising, they are getting additional benefits. Very few really have understood that position, and when I have explained it, they have been simply astounded.

13,829. Do you think that that is going to have any effect?—I am quite sure that during the next year the tone of our membership will be very much raised from that standpoint.

13,830. Of course it has not begun to have much effect yet?—Our meetings have only just taken place. I have to be at one to-night.

13,831. Do you say that that holds equally good for the women or not?—I should say yes, with the exception of certain kinds of employment, and certain kinds of individuals, which, however, only form a fraction. Taking the 23,000 women, in the case probably of 5,000 their claims are excessive from the character of their employment and their surroundings. The rest are fairly good.

13,832. Taking these 5,000, are they the sort of women you can put together, and say that is the lot that the claims come from, or is there a woman here and a woman there?—We are peculiarly situated in Birmingham. There is a very large section of the girl population employed in very heavy work—press-work and making nails and screws. I have been astounded, since the Act came in, to find the kind of work that women do perform in Birmingham. It is very bad. You can quite understand that the girl who is earning 6s. or 7s. a week, if she feels at all ill, prefers to go on the sick fund to get that money. I am told that a very large number suffer from constipation, and we get a great many claims from that standpoint. In the case of charwomen who work for one or two days a week, the claims are also very heavy; but outside those I have tabulated in this memorandum I think that the Act has been very well administered—I mean from the members' standpoint.

13,833. You say, in regard to these 5,000 women, that an abnormal number of claims comes from them. You went on to describe two reasons which made that happen. One was that they were really earning more when sick than when at work?—That is so.

13,834. That, of course, is in a sense wickedness?—Yes, but it is so. I could take you round Birmingham and show you that what I am saying is not the slightest exaggeration.

13,835. Then you say, secondly, a great many people live in such conditions that they are extremely likely to come on the funds, owing to the nature of the employment?—That is so, and these 5,000 or 6,000 did not come in the ordinary way to me. I attended about 300 meetings of employers and employed, and these people sent their workpeople to me, and I had not experience of that type of member.

13,836. Still you say, as regards a great many of them, that they live in such conditions that you would expect to find an abnormal amount of sickness among them?—That is so.

13,837. Do you think, from the complaints which cause them to come on the fund, that perhaps as time goes on they will get better?—My impression is that we shall immediately show an improvement. For one thing they are looked after, and they are educated. Furthermore, their fellow-members know quite well

that they are being imposed upon practically, and they will protect us.

13,838. Among these hardware trades, are there many outworkers, or are they mostly factory workers?—No, probably about 300 or 400. All the others are indoor workers.

13,839. Among the outworkers I suppose that you find that they in fact receive when at work a comparatively small sum?—That is so. I attended a deputation with reference to these outworkers, and what we anticipated then has taken place, that amongst them the claims are very heavy. There are comparatively few in our society.

13,840. With regard to over-insurance, of course those people who are insured on both sides—take men first—are drawing a very substantial sum when away from work?—Yes, but I do not think that we should find 1 per cent., certainly not more than 2 per cent., who are over-insured. We have not made any one reduce yet, for the simple reason that we have a first-class class of member, and the same applies to the women; so I do not think that it will affect us to the extent it affects most societies.

13,841. What are the benefits on the private side?—They can have whatever they like from 5s. to 30s.

13,842. What do they generally get?—25s. a week amongst the men.

13,843. Did you take any care on the private side to see that they were not insuring for more than they earn?—We have done that, and we are watching it very carefully, but of course we have not been able to examine every case.

13,844. When you admitted a man, and he insured for 20s. on the parent side, did you make some inquiry as to whether it was a reasonable sum?—From the character of his employment. That is the only way we could judge.

13,845. They are well paid artisans?—Yes.

13,846. Then those who go in for 25s. on the parent side are, in fact, drawing 35s. a week when away from work?—I do not think that that has had any effect up to the present. They are earning anything usually from 30s. up to 2l. or 2l. 5s.

13,847. On the women's side, do you say that it makes a difference?—No. We have the same class of women member in the parent society as men.

13,848. Apart from being insured in two places, certain women are, in fact, over-insured in regard to the actual benefit paid out under the Act alone?—Yes, that is in the low wage earnings, and the class of people I have spoken about. I think it rests with about 5,000 of our members.

13,849. Have you not wanted to say something about what your experience has taught you of other societies operating in Birmingham, on the matter?—I have been the means of getting together the officials of the approved societies, with a view to getting uniformity of working. We find almost invariably that small societies are hit very badly on the private side where a private side exists.

13,850. You mean the reflex action of this on the private side has been heavy?—Yes.

13,851. And they have not usually put forward any scheme under section 72?—No.

13,852. And you have not?—Yes, we put forward this scheme. We can compel a man to reduce, if he is over-insured in the parent society.

13,853. Have you really looked at each case?—Yes, we have a rule under which a man is obliged to report to us when he joins another society, and if we find he is over-insured, we can reduce his holding in our society by the amount by which we think he is over-insured—to the extent to which he has newly covered himself with.

13,854. You actually do that, do you?—We have not reduced one, but about 70 have applied for reduction.

13,855. Have you looked into them to see whether they ought to be reduced?—Yes, we do that in every case where we have heavy claims. In every case where we have heavy claims, we look into the antecedents and into the member's position very carefully, but

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there have been very few cases. I do not want to magnify that point.

13,856. Can you tell me what is your finding about people coming on and coming off the fund? Generally, your members are acting very straight, but are you finding cases of people who are coming on with what you regard as trivial complaints, or stopping on too long?—It is just this type of person I have been describing who are going on, and the only complaint I have against the doctors in Birmingham is that they give notes altogether too freely. They have simply thrown them at the people who go to them, and without the slightest form of examination they have placed them on the fund. That is recognised by the local medical association, and I, with them, have been trying to stop this, and get uniformity of working, but up to the present it has been very bad.

13,857. To what do you attribute that?—The doctors themselves say that they get too many persons at their surgery door, and that it is impossible to examine them when they first apply. That is the position they generally take up, and the second reply I get from the doctors—because I have made no complaints to the local insurance committee—is that they cannot afford to offend the members, who will go off their list immediately.

13,858. Do they say that?—Yes. A doctor met me two days ago and said: "I took exception to two" of my patients, and they have immediately applied "for a transfer." That has been given me a score of times.

13,859. That is a serious matter?—It has been a general complaint in Birmingham from every society, and from the doctors themselves.

13,860. Do you find that they are actually filling up certificates?—Yes, certainly; but obviously, if they are never examined, what is put on the certificates must be very often incorrect.

13,861. I do not mean correctness. Does it purport to be something which you can recognise, and not, for instance, debility?—It is very often debility. We have to be very watchful about that word.

13,862. Anæmia?—Yes, anæmia, nervous debility, and gastric catarrh, but it is usually debility.

13,863. You say that that is due to the fact that the doctors have not physically got time to examine them?—That is their own excuse. That is the only reason why we have made free use of our medical referee, and why I have rather exceptional views about that. All those cases that I felt had not been properly examined, and were placed on the fund, I immediately sent to a medical referee. We send about 10 a week on the average. We have 250 or 300 fresh cases every week, and about 10 per week have been sent to the referees.

13,864. Who are the referees?—In each district I send them to our old doctors who are associated with the society. I have had no complaint at all, except in one single instance, that a person has been unfairly treated. I send a letter telling them that we only want fair play.

13,865. Have you the letter?—No, but I can send a copy.* We sent it to each of our doctors. We have not one particular referee. We send them to a doctor in the particular neighbourhood where the patient lives.

13,866. How many of them are there who act for you?—I should send them to any one of our old doctors. We have 120.

* Copy of Doctor's Letter.
The Ideal Benefit Society,
Coleridge Chambers,
Corporation Street,
Birmingham.

DEAR SIR,

OUR visitors have reported that they are not satisfied that *ought to be on the funds*, and therefore we have asked him to call upon you to be examined. He is reported to be suffering from

The Committee wish you to be perfectly fair to the member and the Society, and I shall be glad if you will send in your report to me at your earliest convenience.

Yours faithfully,

13,867. Are they panel doctors?—Yes.

13,868. What do you pay as a fee?—Half-a-crown. We have paid that for the last 20 years.

13,869. That is, I suppose, half-a-crown if the patient visits them?—Yes, and 5s. if otherwise, but there is no object in sending them if the patient cannot go to the doctor. All we want is proof of the illness, and if the patient cannot go, that is a proof of the illness.

13,870. Yes, but there are such things as people who say that they cannot go, when they can?—We should have to rely on our visitors' report in that case.

13,871. Can you give me the exact figures of the numbers sent to the referee?—You have them there up to 12th October—I think 350 or 360 in the three quarters. But with those people I have seen, in the majority of cases, there is no question of dispute. It is a question whether they should be on the funds or not, and whether they are ill. There is no dispute between the doctors. As a rule, the doctors are very thankful that we have that arrangement. All they want is to appoint the referees themselves.

13,872. What is the result of this?—We have only had one complaint in the nine months, with respect to a girl, and the girl's mother came to see me. I said, "If you are dissatisfied, select any doctor you like, and go to him."

13,873. What did she complain of?—That her panel doctor said she was ill, and the referee said she was able to go to work. The umpire simply gave her three days longer to stay on the fund.

13,874. Of these 300 people that you have sent, what, roughly, has been the result?—I should say that about a third have been declared off the fund.

13,875. And two-thirds kept on?—Yes. A very large proportion of those remaining have been certified to be able to do light work, but that is no good to us. We cannot send a person able to do light work back to his ordinary work. We still pay. I do not see that you can refuse to pay a person who cannot follow his ordinary work.

13,876. That is your view?—Yes, and our practice.

13,877. What do you do about pregnancy?—It is a very thorny question. My view is that for pregnancy there should be a lump sum to cover the whole business from start to finish.

13,878. What is your actual practice at present? In considering these women's figures, are there cases of women whom you are paying because certified to be suffering from pregnancy and nothing more?—We never get that. It is always something else.

13,879. Do you get advanced pregnancy?—Not in 1 per cent. of pregnant women are we ever told that they are pregnant until the maternity claim comes along. That is a point that ought to be considered very seriously—the question of the illness preceding and subsequent to pregnancy. It is one of the greatest difficulties we have to deal with in administration. I would give them everything, but the general feeling in Birmingham is that directly a woman is pregnant she cannot feel well, and therefore she is entitled to stay away, and draw on the funds.

13,880. What is the practice of the society? We do not pay unless there is a distinct illness apart from the pregnancy, though it may be caused by the pregnancy.

13,881. Where you get that, you pay?—Immediately.

13,882. Supposing you get complete incapacity?—We should have to pay.

13,883. Although there was nothing but pregnancy?—Certainly. Where a woman is totally incapacitated we always pay. In the early stages, if the woman has not got a distinct illness, we write and say, "Pregnancy under the Act is not an illness, and therefore we cannot pay."

13,884. But when she gets to such a state that she cannot go to work?—We pay.

13,885. I understand that you complain that you are unable exactly to know about these cases when it is only pregnancy, because the doctor will not write that on the certificate?—We have to depend very largely on the report of our visitor in that case.

† This varies according to circumstances.

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13,886. What do you say about misconduct?—Misconduct amongst women is extremely rare. I have only had three cases of misconduct in the nine months.

13,887. What is misconduct, in your view?—Immoral conduct I should call it.

13,888. Do you pay maternity benefit to unmarried women?—Certainly. I should never raise that.

13,889. And sickness benefit in the case of unmarried women who are lying in?—Certainly.

13,890. It is only where some disease has been acquired that you refuse benefit?—Certainly.

13,891. Do you really investigate these cases?—Every one.

13,892. On the men's side?—We have only had three cases from the commencement of the Act of disease arising from improper conduct.

13,893. And did that arise on the certificate itself?—In neither case. That is my trouble. I think that the doctors ought to state, not that it arises from misconduct, of which they are not the judges, but what is the matter. I had one man suffering from delirium tremens, another from gonorrhoea, and another from syphilis. The last case was certified as being boils. That is abominable.

13,894. In the syphilis case, do you conclude that because it is syphilis, therefore it is misconduct?—No, we make further inquiry. In that case the man was always in bed, and the sick visitor could not see him. I wrote to the doctor, and he told me that the man was suffering from syphilis. Unless something is put on the certificates, it is extremely difficult for an official to discover this kind of thing, but I have only had three discovered cases.

13,895. Were the women in whose cases this was found unmarried or married?—One was married and two unmarried.

13,896. You investigated all of them?—Yes.

13,897. What is your practice on another point? Suppose a woman is certified to be incapable of work, and your sickness visitor in fact finds her doing housework?—It would depend on the nature of the work. I do not think that looking after a child or superintending the getting of a meal is work, but if she was actually washing up, it would be different. A woman one day was doing her washing at the tub. A woman who can do that should not be paid sick pay. You have to draw the line there.

13,898. Have you had many cases?—Perhaps a dozen.

13,899. Did you strike them off for that?—No. We had them up before the committee, and generally we fined them half-a-crown or 5s. In serious cases we struck them off.

13,900. You mention here that you have had 30 cases or so of deliberate fraud of various kinds?—I included those you have already taken as amongst that 30. There are cases of actually altering the dates on the certificates, and of actually forging the doctor's name to get two weeks sick pay.

13,901. What did you do?—That is still outstanding. We have not finished it.

13,902. Have you considered a prosecution?—We have considered it, but it is a matter for the committee. I am simply collecting information. We shall make a serious example of her, I have no doubt. The others were of lesser importance.

13,903. Describe to me the actual practice. When a member falls sick, what does he do?—First of all under our rules the executive of the parent society had to appoint officers and committees. We have two separate sections, one for men and one for women, and 12 men and 12 women were appointed.

13,904. How were they chosen?—Generally from the various areas, one from each area, where we have a large number of members. We have something like 80 districts, and the parent society chose the committees and the secretaries. Before the Act came into operation we sent a circular letter to each asking the district members to appoint a district committee of six—three men and three women. They have also done the visiting, and will do so to the end of the year. The secretary does the clerical work, and this committee

makes recommendations to the central committee. That is the first method of organisation. We send the sick pay to each of the secretaries, the visitors take the money from the secretary, and distribute it to the members.

13,905. Who are the visitors?—Each committee has really done the work up to the present.

13,906. Have they been paid for it?—Yes. Practically all the clerical work is done at the centre. We have up to the present pooled 6d. per member per annum. Half goes to the district for clerical work, and half is pooled for the visitation. Each person has had about 3½d. or 2½d. per visit. It varies in different districts according to the amount of sickness in the district.

13,907. You keep the contribution register?—We keep everything.

13,908. There are always mechanical operations to be gone through at the head office?—Everything is examined. All the notes are sent in to the centre from the district secretaries. They are supposed to arrive by Thursday morning.

13,909. Are the sickness visitors, who also carry the pay, insured persons?—In all cases the men are.

13,910. And the women?—Not in all cases, but they are always members of the parent society, and there is a majority of insured persons.

13,911. They are not people who have any special nursing skill?—No. In addition to that organisation we have appointed two women visitors for the women's section in Birmingham, and two men, special visitors, to go at any time. The one trouble in regard to visiting is that the sick persons know when to expect the visitor. Furthermore, they are not skilled. The method I adopt with the special visitor is that on the first visit he gives a detailed account of how he finds the sick person. The unskilled visitor does not do that. He says he is very bad, or better than he has been, and you can get no data to work upon. But having got the first report, these intermediate reports are valuable.

13,912. Are they supposed to visit them any particular number of times? Is every member on sickness benefit visited once a week?—Yes, but if a person was really ill from pneumonia, we do not bother with a lot of visitors. As a rule a sick member gets two visits a week.

13,913. It is always women who visit women?—In every case.

13,914. Even for the purpose of paying?—Yes.

13,915. You always have men to go to men?—As far as I know, it is always men. That point has not been raised. It rests with the district.

13,916. But these reports go from the visitors to the district committee?—Straight to us; and if there is anything wrong we communicate with the district committee, and want further particulars from the secretary.

13,917. The district committee then proceeds to make further inquiry?—Yes.

13,918. If there is any difficulty with the doctor and you want further information about the certificate, who takes it up?—I write personally. I am known by every doctor in Birmingham, unfortunately. I get on with them better perhaps than the visitors.

13,919. That is all very well in Birmingham, but when it comes to Coventry?—The same in Coventry and the surrounding towns.

13,920. In Leicester?—Yes, the usual procedure is adopted.

13,921. Are you satisfied?—I am satisfied that our visiting is effective, and the instruction I give to every visitor is to be perfectly fair to the patient and to the society. They have no administrative power in the district. Of course, everything is referred to the centre.

13,922. But eventually the decision whether the claim is to be met, or not, rests with the committee?—Yes.

13,923. Does fining rest with the committee?—Yes, on the recommendation of the district. We always get the enormity of the offence from the district.

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13,924. Does the district see the person?—Yes.

13,925. Has the person got an appeal to the centre from the district—a personal appeal through the committee?—Yes, we have a meeting of the women's committee every week. It is usually women who go up to the committee. We have only had three or four men appeal, but we get three or four women every night. They come up for the most trivial things, of course, but I never refuse them. I prefer them to come, and have a say for themselves.

13,926. Do they see women when they come up?—Entirely.

13,927. With your assistance, I suppose?—In many cases I am out of the room. I know in advance what the cases are. I give the particulars, and leave them to it.

13,928. The next thing is the medical referee. All this chain having been set going, it all ends up with a doubt in your mind. If, from the sickness visitor's report, you do not quite know whether the member is ill or not, and if the time has come for employing a medical referee, is it you who decide that?—Entirely.

13,929. Did the local committee ever write up and say "We think this ought to go to the referee"?—Very seldom. We act upon the information that they supply us with. Five-sixths of my members are within easy distance of the central office.

13,930. You were saying a moment ago that the old plan had been the sickness visiting system, and I rather gathered that you were now setting up some new plan. What is that?—To have regular visitors, and to displace the old presently. I should like to continue the old system, because it gives a greater interest in the administration of the whole Act. So long as the old method is effective, I should prefer it to be continued, and simply to add a little to it by having two or three special visitors.

13,931. That will be mostly in Birmingham?—Yes, but we shall do the same at Wolverhampton.

13,932. Supposing there was to be a general system of medical referees set up all over the country, would that be welcome to you or not?—I do not think medical referees would meet the case in three parts of these cases. My impression is that medical referees should be merely umpires as between the society's referee and the panel doctor. The bulk of them are mere trivial things which most of the secretaries could clear up straight away.

13,933. Supposing this system of umpires were a regular system of doctors set up all over the country, to whom approved societies, or doctors, or insured people could refer cases of doubt, what would your view be?—I have supported it all through. I have been working with the Birmingham committee of the Medical Association, and we have drawn up a scheme in which they split Birmingham up into ten portions, appointing two panel doctors for each section, and one lady doctor in addition, that is 21. They were to sit at the central office twice a week, and to see any persons who might be referred to them. The approved societies will not have it, because they say we are taking away from them the power which they have at present under the Act, and under their own rules, of appointing their own referees; but to my mind, if you adopt a system such as I have already described, to send the majority of the cases to the referees, and then simply have umpires dealing with difficult cases where there was a dispute between the referee and the panel doctor, that would answer admirably.

13,934. Do you not think that it would be enough if there was only one person? It seems rather cumbersome to have three people adjudicating on one case?—It was the view of the doctors that a panel of three was better than an individual who did not care to incur the odium of taking people off the funds.

13,935. The suggestion I made was whether it would not be convenient perhaps to have people all over the country, who were not on the panel?—I agree; as umpires.

13,936. You would like to have a second opinion on the panel first?—Certainly.

13,937. I do not quite see why?—The majority of panel doctors agree with our action in taking people

off the funds, but at present they want a little more stiffening in their backs to take them off themselves, and they do not mind our referring to a referee, because they do not want the stigma of having taken people off the funds. If there is a dispute between the panel doctor and the referee, I think the umpire should step in.

13,938. Would it not do as well to have an appeal from the panel doctor to this kind of official I have indicated?—No, not so long as most of these cases arise from carelessness, or from being too easily squeezed.

13,939. You think that the official would be overwhelmed? Is that the idea?—No; I think the panel doctor does not care to take up an independent position very often. This is the scheme that the Birmingham doctors and myself drew up, and that the friendly societies and the trade unions would not accept for the reason I stated.

13,940. At present there is the panel doctor, and then there is the right in the society to have someone else?—I agree with that.

13,941. Then you say in addition that you might have a third person. I am suggesting for your consideration whether you could not sweep away the second and the third, and substitute for them a man who sat in Birmingham, and did nothing at all except look at insured people sent to him by the approved societies?—Personally I should be quite agreeable to that.

13,942. The third person I have been suggesting for your consideration should be a person not practising anywhere, and quite independent?—I agree. Any umpire, who should be appointed, should be appointed by the Commissioners, not by the insurance committee, nor the doctors, nor the societies.

13,943-4. Why not by the committee?—They have too little interest in the whole thing.

13,945. Are you a member of the Birmingham Insurance Committee?—I am on every committee, unfortunately.

13,946. Cannot you get your fellow members to take an interest?—No; and I have nearly all the dirty work to do as a consequence.

13,947. Is not that strange? Three-fifths are people who have a vital interest in it?—You will find that this is the position. The average representative of an approved society is no match for the doctors and the representatives of the council on that committee. He has not enough backbone, and perhaps not enough education to stand up against them. The doctors go in, and know exactly what they are going to have, and what they are going to ask for. The other side do not, and it is an uneven contest from first to last.

13,948. The council members have got no bias in favour of the doctor?—But the council members always go with the doctor himself. They have very little interest in the business. I know half a dozen insurance committees, and what I say is quite correct with reference to those half dozen. In Birmingham we have a splendid committee, but what I have said is quite true of that committee. We shall have to get altogether better representatives of approved societies, before we get efficiency.

13,949. How do you propose to do that?—That wants very careful consideration. It is my settled conviction. If that was not so, why am I placed on every committee against my wish, because I am supposed to know a little about the Act?

13,950. I suppose that where there is a willing horse, you can make him pull the cart?—There is something more wanted than a willing horse. Plenty of people are willing, but you want stronger men.

13,951. Do you say that the insurance committees that you know best are really exercising no control?—Absolutely none, in my judgment.

13,952. And for that reason they ought not to be given this appointment?—That is so. It would be a great deal better to come from the Commissioners. The men who were appointed would occupy a very much stronger position, and would be more respected.

13,953. Taking what you say to be so, have you thought about payment? Out of what fund do you

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think payment should come?—The friendly societies say out of the central fund. I am quite content to have it charged to the society, if you allow us to charge it to the sick account, and not to the administration account. You save your sick fund, but you have to charge the cost to the administration account. Our management fund will stand it, but it would not in the majority of small societies.

13,954. The second point is this: supposing the central authority—the Commissioners—appoint these men all round the country, and they are responsible to the Commissioners only, do you not think that there may be a great deal of local discontent? There is always such a tendency on the part of persons who live some way off to believe that there is a veiled invisible power at headquarters which will deprive them of their rights. Would there not be more confidence, if the doctor was appointed by the local authority?—I am sure all the doctors in Birmingham would prefer someone from outside, and I think they would rather leave it to the Commission.

13,955. That is the doctors' side?—I think our side, too.

13,956. Might there not be a local feeling of irritation that an official sent out from Whitehall was knocking people off?—I do not think it. Every official is supposed to be a sort of agent for the Commission now.

13,957. You realise that that sort of difficulty turns up?—On the other hand, I do not think that it would have any effect in practice.

13,958. It means that an official appointed from headquarters would be interfering—when called upon, of course, but still interfering—in quite minute details between the society and the doctors?—I think, on the other hand, that he would occupy a very strong position. He is appointed there to act as umpire, and is appointed by the Commission, quite an outside, unbiassed, impartial body of men.

13,959. Supposing, looking at it from the point of view of an approved society, which is very anxious to safeguard its funds, and would not much care about its members—supposing such a society found in the first 10 or 12 cases which went to this man, that the decision was against them, would they not begin to stir up the local members of Parliament?—I do not think so. I think the very fact that such a man, was appointed would tone up the whole feeling towards the Act, and give a good deal of confidence which at present does not exist.

13,960. In confinement cases where sickness benefit was paid for a month for confinement under section 8, are you paying for that month in all cases?—In all cases.

13,961. Are you taking a doctor's certificate, or what do you do?—We get a doctor's certificate. Up to the present we have had no trouble over certificates at all.

13,962. Does he give a certificate during that month?—Not during the month; it is not needed.

13,963. You pay without a certificate?—Yes.

13,964. Do you get a midwife's certificate?—Generally it is a midwife's certificate that we act upon in the first place.

13,965. Do you require a certificate week by week?—Not during the month.

13,966. Have you found that the women in fact went back to work?—The trouble is that they do not go back when the month is up. It would be a very rare case indeed that they should go back before the end of the month.

13,967. Supposing at the end of the month they are still not going back, and are certified to be incapable by reason of the childbirth?—We should pay, certainly; but the trouble is to settle whether she is incapable. She gets a young child to look after, and that counts for a great deal.

13,968. There is a great temptation to stop at home?—Certainly.

13,969. Have you many of these cases?—Not many, but we have had a number of these cases where persons have said when they got married that they were not going to work again; but when they have

found that they can get benefit by saying they are going to work, they get subsequent benefit, and I am afraid that some of these cases never intend going back. It is that kind of case that you have to consider. That illness before and after confinement is a real difficulty.

13,970. The point you have just raised is slightly different. The Act says in effect that when a woman marries —?—She is to make up her mind what is to be done. She has the alternative.

13,971. Do you find many cases in which they say they are going to go on working?—Yes, a great many of them, especially the poorer ones. It is almost too early to give an opinion about that; but there are quite a number who never go back, and yet are drawing benefit.

13,972. Supposing they marry in these circumstances, and they begin to draw benefit? Do you stop them?—We have to have medical certificates, and if they are ill, we pay them.

13,973. Supposing they are actually receiving sickness benefit on Monday, and get married on Tuesday, do you then stop them, or go on paying?—Do you mean get married after being confined? They generally get married a day or two before.

13,974. Supposing they get married immediately afterwards, do you stop benefit, or not?—I have not noticed a case of that sort at all.

13,975. Take the case of a woman who is certified as incapable of work by reason of advanced pregnancy, and then gets married while in receipt of sickness benefit; do you stop benefit, or not?—No, we have not as yet. She is not the less ill because she is married.

13,976. (Mr. Wright.) You have told us that, in your opinion, there are a large number of unjustifiable claims. What influence do you think the fact that sickness benefit is not paid for the first three days has upon these unjustifiable claims?—I do not think much.

13,977. Do you think that you would get more unjustifiable claims, if sickness benefit commenced from the first day?—No. I quite appreciate why the three first days were stopped. I really think that it has had but very little effect. If a person is going to get money, she will get it, whether the three first days are allowed or not.

13,978. Did your society join with others at the time the Act was in the making in demanding payment from the first day of incapacity?—No, we took no action on that.

13,979. What generally was the opinion of your members?—I anticipated that it would be a real advantage to wait for three days, and that it would stop men who did not want to go to work on Monday morning from claiming benefit.

13,980. You have no sympathy with that demand?—I rather viewed it as a very useful experiment.

13,981. And now, having had 12 months' experience, what is your opinion?—I do not think that it has any effect one way or the other.

13,982. And if there were a suggestion to amend the Act so that the benefits should commence from the first day, you would view that with favour?—I should prefer it.

13,983. I understood you to say before the Act became law that you were not in favour of paying for the first three days?—I thought it was a very valuable experiment. I thought it would get rid of a good many people, who only felt poorly for a day or two. I do not think that it has had the desired effect.

13,984. Do you say after 12 months' experience that you have altered your mind?—Certainly.

13,985. Why do you say that?—First of all there is a good deal of discontent about these first three days. People think when they are ill that they should be paid. I think so too, assuming that the finances of the Act will allow it, and it would be very much better in the ordinary working of our parent society to pay for the first three days there. If a person is ill, he should have every benefit the Act can give. If he is not, he ought not to get a penny.

13,986. I was not thinking so much as to whether there was anything in the contention that it was a just

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[Continued.]

claim on the part of the insured person that he should be paid whenever he was sick. I wanted to get at the reason which induced you to change your mind, bearing in mind your experience of sickness claims, and particularly unjustifiable sickness claims?—The feeling I had about the first three days was that it was a splendid experiment to see whether or not it would prevent people going on for slight ailments. It has not had that effect, and consequently I have come to think that on the whole I would just as soon they were paid for the first three days as not. I do not think that it makes much difference either way—I mean from the standpoint of preventing malingering.

13,987. Suppose a man or woman has a bad cold which can be got rid of in a couple of days, what happens? They are not paid for it?—They make it last longer than that if they want sick pay.

13,988. That is your contention? That they deliberately make the ailment last longer than three days in order that they may get something from the fund?—I should scarcely like to put it quite as strongly as that, but I do not think that it has any effect in the direction which was intended.

13,989. But must it not have this effect, that in all these unjustifiable claims which are being paid, the members would at all events have drawn three days' benefit more than they have actually drawn?—Yes, I quite appreciate that; but I think the worst part of the administration of the Act is the ease with which certificates are granted without examination, and the question of the three days does not affect what, to my mind, is the worst phase of the whole business.

13,990. With regard to medical referees or umpires, as you prefer to call them, the necessity exists, because of laxity on the part of the doctors?—Largely, yes.

13,991. Because doctors give certificates without proper examination?—That is so.

13,992. You say in your outline of evidence, "The doctors readily admit this. They say they are too busy to examine on the first visit. To use a phrase 'I have heard from members scores of times, the notes were simply thrown at us.' That means the certificates?—Yes. I was trying with the doctors to get a system of medical referees, but before doing that we wanted this other matter to be considered, and it was mainly at my instigation. There are a dozen or 20 people in Birmingham who are causing all the mischief.

13,993. You also state in your outline of evidence: "Formerly, persons with slight ailments did not think of, or suggest, going on the funds. They had a bottle of medicine given them and still went to work instead of nursing their petty ailments for three, four, or five weeks, as at present. Could not this point of view be pressed upon the doctors? This suggestion could be easily carried, and the funds saved if doctors were personally allowed to supply medicines and drugs to members not on the fund. These drugs and medicines might be paid for in exactly the same way as the chemists are paid?"—We feel, and I feel particularly, that there is a large number of persons who only feel out of sorts. When they go to the doctor, they cannot get the medicine. I have supported the action of the chemists in the past, but I am quite sure that it is taking thousands of pounds. If a doctor instead of having to write out a prescription, and sending it to the chemist, could give a bottle of physic, it would save the man in very many cases going on to the fund at all. There are difficulties, I know, and it would upset the regulations; but practice has led me to see this, and I feel strongly about it. A very large percentage of cases would be avoided if that could be done.

13,994. An insured person goes to the doctor, and under present circumstances the doctor would give him a prescription. You suggest that, instead of giving a prescription, he should himself dispense the medicine?—Certainly.

13,995. Do you suggest that it is less trouble to dispense a bottle of medicine than to write a prescription?—No. The doctor would get the profit on the medicine, and that would be a recompense to him for the trouble. But there is no doubt that it would save,

and legitimately save, the funds of approved societies. I have found it in scores of cases.

13,996. But that is rather a serious suggestion. Do you suggest that supposing a doctor saw a prospect of getting a profit on a bottle of medicine or a box of pills?—No, I do not mean to infer that he would for the sake of a little profit on a bottle of medicine. I want to disclaim that.

13,997. In your opinion do any appreciable number of your members go to the doctor now, and obtain medical treatment without bringing away a certificate entitling them to sickness benefit?—Very few.

13,998. Have you looked into the matter?—Yes. I cannot give you the figures, but I can easily get them from half a dozen doctors. I am absolutely positive there are very few who go to the doctors who are not placed on the funds immediately.

13,999. A man goes to the doctor and comes away with a certificate. Does the doctor give that certificate because a man asks him?—In many cases.

14,000. Not because he has satisfied himself that the man can justifiably claim sickness benefit?—He says that he has not had time. That is the excuse given.

14,001. What difference would it make supposing the doctor could dispense the medicine instead of writing a prescription? Do you suggest that he would not then give a certificate—that he would give a bottle of medicine, and not a certificate?—When a man goes along with one of these minor ailments, a bottle of medicine given there and then would probably put him right.

14,002. But if the man goes and says, "I want a bottle of medicine, I feel out of sorts," the doctor cannot give him a bottle of medicine, but he can write a prescription which he can take to the nearest chemist. What is the difference?—If you were mixing up among insured persons you would know. This going to the chemist is a very serious matter to a good many people. I am not saying that you should hand the supplying of medicines and drugs over to the doctor, but it is less trouble to go on to the funds even than getting physic.

14,003. Quite so, but they have to take the prescription to the chemist?—And they have to wait for it there. The trouble in getting medicine from the chemist is very serious. That is what a good many people complain about, and I do say that if a bottle of physic could be given in the first instance, there would be an end of the matter.

14,004. Do you suggest that the insured person goes to the doctor and gets a prescription, and instead of taking that prescription to the chemist and taking the medicine, he simply lays up and claims the benefit on the doctor's certificate? Is that the suggestion?—I should not like to suggest that. I merely suggest that if he has the medicine it will prevent him coming on to the fund.

14,005. It seems to me that he gets the medicine, and it makes very little difference to him whether he gets it from the doctor or from the chemist?—It does, because it gives him a great deal of trouble to get it, and if he is going on to the fund, he has plenty of time to do it. It is a serious trouble to get it, and I have heard more complaints about the getting of the medicine than even complaints against the panel doctors.

14,006. That brings us back to the first three days. Your suggestion now is that he goes to the doctor, and he finds that instead of bringing away a bottle of medicine in his pocket, he has to go to a chemist and wait until it is made up. That is going to take some time, and therefore he gets a certificate so that the society will pay him for the time that he loses?—The man does not go all the way round that argument, but that is what in many cases it results in.

14,007. That is what is in his mind?—No. I question whether it is in his mind. That type of man, who is not seriously ill, wants to get as much out of the Act as he can.

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[Continued.]

14,008. All these things have, in your opinion, brought about the necessity for having medical referees?—Yes.

14,009. Do you think, in view of the fact that the doctors are paid a fair remuneration for the duties they are called upon to perform, that there should be any necessity at all for medical referees?—I think that probably in 12 months' time, if the doctors acted fairly, there would not be one case in a hundred.

14,010. With regard to the members of your parent organisation, did you, prior to the passing of the Act, have occasion to employ medical referees?—Oh yes, we have always had them for the last 20 years.

14,011. Very often?—Oh no, perhaps in six or ten cases in the year. It was only questions of doubt that we sent to medical referees.

14,012. Are you of opinion that rather than appoint medical referees it would be better if the administration of the medical benefit could be put on such a basis as to ensure that the best treatment should be given to the insured persons?—I should be quite satisfied then.

14,013. What system do you think would bring it about?—It is very difficult to say, is it not? You have to make men act differently. You have to raise their morals, because after all it is their morals which are wrong, and how you are going to get about it, I do not know.

14,014. Do you think that the question of payment has anything to do with it?—I do not think that it has anything to do with it. I think that it is very largely because of the large panels they have got at the moment.

14,015. You do not think that more money would bring it about?—I do not think that it is a question of money at all. I think that in the main the doctors are very well satisfied with their pay, and I know many of them.

14,016. It is almost necessary for the doctor to be lenient with his patient; otherwise he runs the risk of losing him?—I cannot understand that. If doctors would not take these unprincipled people, one from the other, it would stop the whole business straight away. If, for instance, a man went to one doctor to-day, and said that he was ill, and the doctor knew that he was not, and he would not give him a note, and another doctor, when he went to him, would not take the man, it would stop the thing. I would not take that man, and I should think that they are strong enough to prevent that running about. They ought to be strong enough.

14,017. Your remedy would be that there should be no right on the part of the insured person to change his doctor every 12 months?—That is going a long way. I think that the doctors should not take people, who are running about because they have a whim, or because they cannot get all they want.

14,018. How is the doctor to know that?—First of all the doctor from whom he is transferred could easily let the other doctor know.

14,019. How does he know that the man is transferring?—He has to produce the form on which the transfer takes place to the new doctor.

14,020. The point is this: when the time comes for the insured person to select another doctor, all he has to do surely is to notify his new doctor, not his old one, that he is going to change?—That is so. I do not think that in the transfers at the end of the year this trouble really arises.

14,021. They cannot change in the middle of the year?—They make it so awkward that the doctors are very often very glad to get rid of them.

14,022. Even then the doctor has got to look after his practice, and there are additional people entering insurance every week, are there not?—Yes, but there will be a limit to that presently. There will probably be as many going out as coming in, so that it will balance it.

14,023. You are not in favour of a State Medical Service?—No, it is too cast-iron. I would infinitely prefer the panel system if efficiently worked. If not, I should reluctantly say that I prefer the State system, but not unless the panel system proves a failure,

because I think that it gives a far wider choice to the person insured.

14,024. You say that the development of medical institutions should be encouraged, as it would act as a useful corrective to the indifference and carelessness of the doctor. In what way do you suggest that the development of these institutions should be encouraged?—I am not connected with any institution, and I never have been, but in Birmingham the question of the alternative of developing one of those institutions has been discussed by the representatives of all the approved societies, and they think that it would be a very strong corrective. As a matter of fact, all the schemes have been laid down to approach the Commissioners if the doctors will not work fairly, but I have urged them to leave the matter, until we see what the doctors will do, and the doctors I meet—that is the Medical Association—are trying to do their best to bring about thoroughly efficient work.

14,025. What you are suggesting is an amendment of the Act?—Not at all. As I understand it, the institutions do not receive the encouragement which they should. That is the contention of all the approved institutions.

14,026. Are you arguing for an extension of these institutions?—Only if we cannot get the present system to work.

14,027. You know that the Act provides that only those institutions existing at the time of the passing of the Act are to be recognised?—I quite appreciate that.

14,028. You do not want that amended?—Not at all.

14,029. What you want is that they should receive some special encouragement from the Commissioners?—No, but that no difficulties should be placed in their way. Those institutions are very badly administered. The difficulty is with their accounts, and everything else. Personally, I would rather encourage them.

14,030. Your last suggestion is that the continuance of small approved societies should not be encouraged. Why do you say that?—I think that a great many of our difficulties arise from the small societies. First of all, the bulk of the people who manage them have not the experience, and know very little about the Act. They pay away benefits which may complicate matters very much for a person in an approved society anxious to carry out the Act legally and fairly.

14,031. Their officers are not efficient?—The officers are not efficient, I am sorry to have to say that.

14,032. What have you to say with regard to the small branches of affiliated societies?—Those are in a somewhat different position, because they come frequently under the control of the central office. I am speaking now purely of small approved societies. We have a large number of them in Birmingham. Those small societies, and societies connected with works, give us a great deal of trouble.

14,033. You have had great experience in and around Birmingham of all types of friendly societies?—Certainly.

14,034. I just want your opinion as to whether the same remark would apply to the small branches of affiliated societies?—Not to the same extent, for this reason. If they get into difficulties, they can send to their central office. It does to an extent apply, but not to the same extent as it does to the small approved societies.

14,035. You know that the control of the central body in very many affiliated societies is very slight over the branches?—That is so.

14,036. And that the branches are entirely self-governed in nearly every respect?—That is so.

14,037. In your opinion are they efficiently administering the Act?—I should say not, but not so inefficiently as the small approved societies, standing by themselves.

14,038. The small approved societies are worst?—That is so.

14,039. And next to them come the small branches of the affiliated societies?—The reason is very obvious. These men, being at work during the day, cannot be in touch with the administration of the whole of the Act,

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They are small men, and they are afraid to stand up for what is right. That is the truth.

14,040. Would you say that the larger the society the more efficient it is able to administer the Act?—It should be able to do so, because it ought to be able to get more efficient officers, and quite a different type of men.

14,041. And you would say that, the more highly the society is centralised, the more efficiently it can administer the Act?—I should not like to say that after my experience of the last few months.

14,042. Do you believe in centralisation for administration?—To an extent.

14,043. To what extent? Where do you draw the line?—Societies up to 100,000. I should not agree to have centralised societies for larger numbers than that. I think that that is quite as large as can be managed efficiently. If you have a centralised office it should be divided into divisions, or something of that sort.

14,044. Do you think lax administration is in any way due to the fact that these societies are in competition one with the other?—Certainly, very largely. They are afraid to lose members, the same as doctors are afraid to lose patients.

14,045. As long as that exists, do you think that the Act will be efficiently administered by societies, large or small?—I think that the less you allow persons to transfer from society to society, the more efficiently the Act will be carried out. One of the greatest difficulties of administering the Act has been the question of transfers. Three-quarters of the transfers to me during the first three-quarters are not settled to-day, and if I get any trouble with sickness claims, it is over those transfers not settled.

14,046. You do not mean the mere clerical work of transfers?—All I can tell you is that in the case of everybody who wanted a transfer from us, we immediately carried it through.

14,047. The officials of small societies and branches of affiliated societies are, generally speaking, paid *per capita*?—That is so.

14,048. Consequently it is to their interest to obtain as many new members as possible?—Yes, that is so, I expect.

14,049. They are only human like other people?—Certainly. I had not looked at it from that point of view, I confess.

14,050. You had not thought of that point of view?—I had not thought of it from the point of view of an officer of a district.

14,051. Had you thought of the competitive character of the societies?—Yes, certainly.

14,052. And you had thought of the influence it might have upon efficient administration?—Yes, I think that you want to reduce that competition as much as possible, and you will not get a well administered Act until you do reduce it to a minimum.

14,053. Do you think that you will ever get a well administered Act until the State administers it itself?—I am afraid that I do not.

14,054. (Mr. Warren.) I take it from your outline of evidence that your experience in respect of men has been fairly satisfactory, and that it is in respect of women that you find your principal difficulties?—Quite so.

14,055. Does that arise from the fact that the women are not understanding, or appreciating, what national insurance really means?—Very largely.

14,056. And you are taking steps, I understand, to better acquaint them?—Certainly, every night.

14,057. To better acquaint them with the fact that they are principally concerned in the prosperity of their particular society?—That is so.

14,058. And that the benefits of State insurance are not guaranteed by the Government?—That is so.

14,059. In the course of time, when they are better informed, it may have an appreciable effect upon the question of claims?—I am sure that it will.

14,060. You have experienced a good many claims in respect of minor complaints, or complaints which, in your opinion, are minor?—Yes, some of them are not, but the majority certainly are.

14,061. I take it that the question advanced to you by Mr. Wright, and the answer which you gave really meant this, that, in your opinion, if the doctors were permitted to prescribe medicine—that if directly persons called upon them, instead of giving them a certificate and a prescription, they would give them a bottle of medicine, it would practically settle their difficulty, and keep them off the fund?—That is exactly my position.

14,062. Do you consider that in your particular society your sickness supervision is satisfactory?—Yes, with the exception I have stated. I think that the regular visitors, although they do their work enthusiastically from their standpoint, are not so efficient as we should like, and we shall have to supplement them with special visitors for areas where we have a large membership.

14,063. From your previous experience of friendly society work, you fully appreciate the value of a strict sickness supervision?—Certainly.

14,064. You have a rule, rule 11 (26), governing the conduct of members whilst in receipt of sickness benefit?—Yes.

14,065. Can we take it that in all cases that is strictly carried out?—Certainly. The first quarter for violations of that rule we fined them 2s. 6d., the next quarter we fined them 5s., and the third quarter for some offences we took them off the funds. If they go away from home without advising the society, or without doing anything to let us know, we take them straight off. If they write, and say that they are going, and then go without our permission, we levy a fine.

14,066. You do endeavour by every means to enforce the rule before expelling them?—We have not expelled anyone yet.

14,067. Do you get many complaints in respect of the members of your society as to their treatment in the matter of fining or suspending?—I say 1 per cent. here, but of those who go on to the funds, we do not get any trouble in $\frac{1}{2}$ per cent.

14,068. What is your procedure in respect of disputes?—I settle the bulk of them myself. I can manage that best. In the case of any trouble, I immediately notify them to see the committee. I may say quite frankly that we have had no dispute at all to go to arbitration from the commencement of the society 21 years ago. I try to avoid disputes as far as possible.

14,069. From your experience you have been either led or forced to the conclusion that doctors are far too readily granting certificates?—There is no question about that.

14,070. And that to a large extent arises from the largeness of the panels? They have not time to make a proper diagnosis?—That is their own excuse.

14,071. Are they also granting certificates post-dated or ante-dated?—I am bound to say that that has almost entirely disappeared. I did get one last Monday week for six weeks, and filled in that same day, but that was the first for some time. We always, according to the rule, date the illness immediately we receive notice of it, and we adhere strictly to that rule.

14,072. Now you are having no complaint in the matter?—Nothing worth speaking about. I might as well say none. I have really had no trouble with notes right from the commencement, except a few back-dated notes.

14,073. You have had a long experience in Birmingham in respect of friendly society proceedings, and you are well acquainted with Birmingham?—Certainly.

14,074. There are in Birmingham in respect of national insurance probably more than 100 small societies who are administering the Act?—Much more than 100. I had a list of 87 societies made out the other day with less than 150 members.

14,075. How are they working the Act?—Very badly; that is my chief complaint.

14,076. May I ask you to tell the Committee why you complain?—I complain of the way that they are giving benefits, and that they are lax in their administration. That must reflect upon every society trying to do what is right.

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[Continued.]

14,077. Frequently comparisons are drawn between your proceedings and the proceedings of these small societies?—Very often. I think that you would find that all the societies in Birmingham would make the same complaint. The smaller societies give us more trouble than anything. Personally, I would not have an approved society under 5,000 members.

14,078. You readily appreciate the danger where persons are in receipt of sickness benefit closely approximating to their ordinary wage earnings?—That is so. That is where most of our difficulties occur with the women.

14,079. That is because of the low-paid labour?—That is right.

14,080. Not exceeding how much?—Perhaps 6s. or 7s. They prefer what they get in sick pay to earning the 6s. or 7s. There is that strong inducement. should not like to say that they are all rogues.

14,081-6. You did say in respect of the insurance committee that the unfortunate position that, in your opinion, the representatives of approved societies hold upon those committees arises from the fact that, generally speaking both the representatives of the county or county boroughs and of the Commissioners throw the weight of their influence in with the professional element upon the committee?—That is quite right. The Commissioners' representatives less than the others, but you will generally find the approved

society representatives on one side, and the others right on the other.

14,087. And therefore the representatives of approved societies, generally speaking, stand in an unfortunate position?—Yes.

14,088. Both as to number, general ability, and influence?—That is so. I am not blaming the other side at all. It is simply that the quality of the representatives of the approved societies, in my judgment, is very much lower than it ought to be. I should say that it was less so with the Commissioners' representatives, although they generally go with the other side.

14,089. And in consequence the approved societies suffer?—Take the question of medical attendance which we have been discussing here this afternoon. When the doctors come to the meeting, they know their case, and they know what they are going to ask for, and what they are going to do, and the other side are quite incapable in their hands. And the doctors are backed up by the official element, if I may term them so. I do not blame that side one bit. I think that it is very creditable to them. All I say is that upon our side we have not got strong enough men.

14,090. May I take it that that arises from the fact that the right type of men are unable to come forward, at the loss of their business or their time?—That may have been so at the commencement, but we have remedied that in Birmingham. Each man now gets paid in full, if he claims.

The witness withdrew.

NINETEENTH DAY.

Wednesday, 17th December 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT:

SIR CLAUD SCHUSTER (*Chairman*).

Mr. WALTER DAVIES.
Dr. ADAM FULTON.
Miss M. H. FRANCES IVENS.
Miss MARY MACARTHUR.
Dr. LAURISTON SHAW.
Mr. A. C. THOMPSON.

Mr. A. H. WARREN.
Mr. A. W. WATSON.
Dr. J. SMITH WHITAKER.
Miss MONA WILSON.
Mr. WALTER P. WRIGHT.
Mr. ALEXANDER GRAY (*Secretary*).

Miss MARY MACARTHUR (*a member of the Committee*) accompanied by Miss HONORA ENFIELD, recalled and further examined.

14,091. (*Chairman.*) I think that you have something to add to what you have already told us?—I have brought with me two of the certificates issued by the two midwives at Cradley Heath. They are both signed by a cross, and I would like the Committee to see them.

14,092. The point of that is their necessary inefficiency?—Some members of the Committee seemed to doubt the statement that these midwives were absolutely illiterate, and so I brought these two certificates.

14,093. (*Miss Wilson.*) They are certified midwives?—I understood from the nurse that they were under the central authority. They are the only two midwives in the district. We make the allegation that one of these women, at least, can neither read nor write, and that she is absolutely unfit to be a midwife.

14,094. (*Dr. Fulton.*) Perhaps it would be well to state the fact that all the women who were in actual practice were put on the register, and that many of them were absolutely incompetent, and without any knowledge whatever of their business?—Yes, that is so. Since our last meeting, a woman doctor visited

H—, and called on every one of our members who had received sickness benefit, and she has given us a rather interesting report. I have here a memorandum of Miss Enfield's conversation with her. (*Memorandum handed in.*)

14,095. (*Chairman.*) Perhaps I had better read it. It is a "Memorandum of the conversation with "Dr. — after her examination of the H— members claiming sickness benefit," and it is dated December 5th. It states: "Dr. — said that what "struck her most was that the certificates furnished "to the society gave a quite inadequate idea of "what the patients were really suffering from. She "had examined one patient who was certified to be "suffering from otorrhœa, and found it to be really "mastoid disease. It was a very much more serious "complaint which necessitated an operation, and of "which otorrhœa was only a symptom. Another patient "was certified as suffering from defective vision, but "on examination it was found that the patient had "had drops put into her eyes, and that it was this, "and not the defective vision, that was the cause of her "incapacity, though Dr. — did not consider her

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Miss M. MACARTHUR.

[Continued.]

incapacity should have lasted more than a day, at most. This was the time allowed in such cases for school children. Another case was that of a member certified as suffering from an influenza cold. Dr. — could find no trace of influenza cold, but said the women's teeth were in the most shocking condition, and that it was absolutely impossible for her to recover until she had them attended to. Dr. — inquired how long a society had to go on paying sickness benefit in a case of this kind, as it seemed very unreasonable that a woman should be a drain on the society's funds, just because she did not choose to have her teeth attended to. Dr. — also asked whether a society would go on paying sickness benefit to a member who was waiting for an operation. In the case of the girl whom she had examined, and found suffering from mastoid disease, an operation was essential, and she was merely waiting for a bed in Guy's Hospital, which would not be vacant for about nine weeks. It seems very hard on a society to have to pay benefit for nine weeks, simply because Guy's Hospital has no bed, and the local hospital would not perform an operation, because they have no specialist. With regard to eye treatment, Dr. — thought that it was the duty of a panel doctor to give as much eye treatment as he was capable of doing, and that he had no right to charge for this treatment as Dr. — had done in the case which she had examined. This had been her own reason for not going on the panel, she felt that with her large experience of eye work at the schools, she would be expected to do a great deal. Another case which struck her especially was that of a woman certified as suffering from hæmorrhage. In this case she felt certain that an operation was essential, and said that the doctors had been watching it for weeks, and she thought it was very hard on the society to have to go on paying, just because the doctors could not make up their minds to recommend an operation, which was the only thing to be done." That is the memorandum?—

14,096-7. Where does Dr. — live?—At —, is working under an education committee as a school doctor. The reason we brought these statements was that a particular interest seems to be shown in this particular branch, and we thought that the doctors' investigations would throw some light on the question. There was one other case which occurred last week which I would like to report. One of our members claimed benefit on a certificate for a cough. On asking for further information, we received the following letter from the doctor:—

"I have referred this matter to the committee, and they uphold the fact that a certificate that a patient is incapable of work is all that is necessary. In such a case, cough is all the diagnosis we give. If you refuse a patient sickness pay in this case, you must take the responsibility yourself, and do so at your own risk."

We communicated with the Reading Insurance Committee, which was the insurance committee concerned, and we got the following reply from the clerk:—

"This matter has not been referred to the insurance committee by Dr. —, but he enquired from me over the telephone whether societies had the right to refuse sickness benefit when certificates had been given. I informed him that I was of opinion that if a certificate had been given by a medical practitioner, certifying that a person was incapable of work, that certificate should be accepted by the approved society, though the approved society had the right to say whether or not, under certain conditions and circumstances, they would pay sickness benefit. Such circumstances would include accidents where compensation may be claimed, certain diseases, and also the rules of the approved society."

We are taking this up with the Reading Insurance Committee, and we have sent a copy of the corre-

spondence to the Insurance Commission. There is just one other case to which I would like to refer. We wrote to an insurance committee with regard to the claim of a member for sickness benefit for debility. The claim was accompanied by a letter from the mother of the member, saying that the doctor had only signed the certificate under protest, and that he intended to enter the case as the girl's own fault by improper surroundings. The mother further informed us that the doctor objected to girls working in factories, as places unfit for women. We wrote to the doctor, and received this reply:—"I can give you no further information, unless you require an official report, except that she is, as many others are, 'totally unfit to work in a factory.'" We thereupon wrote to the insurance committee, and the clerk replied that it was an extremely delicate matter to approach a doctor with regard to the illnesses of his patients.

14,098. What insurance committee is that?—It is the Warwickshire Insurance Committee. He added that he ventured to send us a copy of some correspondence which he had had with the same doctor earlier in the year. This correspondence is rather interesting. The doctor writes to the clerk: "I am in great difficulty as to several female patients on my list. 'They are factory girls, who say they feel ill and cannot work. On examination I find nothing the matter, but it is obvious that they are unfit for work, and I am of necessity forced to certify them as suffering from debility and anæmia. I am writing this because I consider that the societies should know that, as doctor, I am in a difficult position, as I do not know how I can act fairly by the girls and also by the societies. The girls are, and always have been, unfit to do the work which they have to do, and their hours are too long, and their work is too hard. They cannot afford good food, and they do not have sufficient holidays.'" The clerk replied: "You will remember that sickness benefit is periodical payment while rendered incapable of work by some specific disease, or bodily or mental disablement. I think that in the case of the persons referred to, they should be told to go to some other employment. A person may not be incapable of work, though he cannot follow the employment in which he has hitherto been engaged. It is not intended that the doctor shall bear the responsibility of paying or withholding sickness benefit. He is required to give at the request of his patient an accurate statement of the latter's condition, and any further responsibility must rest with the society by which the sickness benefit is administered." Of course, that correspondence is many months previous to our present experience.

14,099. What view do you take of the letter written by the clerk? How far would you accept it?—I am simply reading it to the Committee; it is merely an indication of another difficulty of administering the sickness benefit.

14,100. (Dr. Fulton.) In your outline of evidence you say that a wider interpretation is given by doctors to the words "incapable of work" than was formerly done. May I ask what ground you have for saying that?—My experience leads me to believe that the doctors feel now that they can recommend patients to take a rest; formerly it was very difficult for them to do so, as they knew that being out of work, in many cases, meant starvation.

14,101. You do not mean that doctors in giving certificates interpret the words "incapable of work" more widely than they used to do? You rather mean that they are more willing to give a certificate of incapacity, because of the fact that the patient can get some support while off work?—I would refer you to my reply to question 11,407.

14,102. What exactly you wish to convey to the Committee is that doctors now feel at liberty to certify patients as incapable of work where formerly they would have hesitated?—Quite so.

14,103. So far as your outline of evidence is concerned, the wider interpretation is not quite what you meant to convey?—Yes, I think that that is what I meant to convey.

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14,104. May I put it to you that the phrase "incapable of work" as meaning "incapable of any form of work" is a new idea?—I quite agree.

14,105. And you can understand, then, that there should be some what you call "failure" on the part of some doctors to distinguish between illness and incapacity, on the ground that it is a new idea?—I should be rather surprised if they did distinguish.

14,106. You have not heard of the distinction being brought to their notice in any way?—Except by individual societies.

14,107. But that would not affect you as a whole?—No.

14,108. You say, in reply to question 11,364, that married women constitute 18 per cent. of your membership, but that their claims constitute 27½ per cent., and I think that the actual expenditure of money is considerably more than that. To what do you attribute that?—I attribute it to the fact that the health of married women is affected by their child-bearing functions.

14,109. You do not think that the fact that they have got husbands behind them when they are ill makes any difference?—I am afraid that the majority of our married members have not got such support behind them, and that their husbands are either unemployed, or employed only casually. I do not think that our married members can be said, in the bulk of the cases, to have adequate support from their husbands.

14,110. So that you could really say that these claims are almost essential to married women under present social conditions?—I certainly think that they were to be expected.

14,111. You refer to your experience of the locally managed branches and the centrally managed branch. To what do you attribute the higher sickness rate in the local branches?—We do not see any reason to believe that the heavier rate of sickness claims in the branches, as compared with those dealt with by headquarters, is due to any laxity in the branch administration. We suggest that the difference of sickness incidence between the different parts of the society's membership is fully accounted for in several ways; first, by the different percentage of married women in the membership. In Norwich, where we have our highest sickness incidence, no fewer than 71 per cent. are married women. In Acton, where we have 53 per cent. of married women, it is unduly high; and at Cradley Heath, where it has also been excessive, we have 38 per cent. of married women. On the other hand, at Edmonton, where the rate is exceptionally low, there are only 4 per cent. married women. Taking the society as a whole, the percentage is only 18. I have reason to believe that our central membership includes a very low percentage of married women, and also that there are differences in industrial conditions. For instance, at Cradley Heath we are convinced that unhealthy conditions of employment account for a great deal of the cases. We have a high sickness rate where our members are mostly laundresses. We now know that laundresses have a high sickness rate, whatever society they belong to, or whatever locality they inhabit, and I would not say that the excess of sickness claims to which you have referred is due to anything exceptional in the administration.

14,112. You do not think that there is laxity of administration by local officials?—I do not.

14,113. On the other hand, you would say that in your local branch, where you have all the members of your society following the same trades, you get something approaching the old friendly society condition under which the members watched each other?—That applies certainly to one or two of our branches.

14,114. Still, you would expect to find something of that sort in a local branch as distinguished from a centrally worked branch?—Yes, certainly, there is more visiting.

14,115. Yet, in spite of that, your experience is higher?—Yes.

14,116. In question 11,373 you say that you get an unexpectedly high proportion of claims from young people between the ages of 16 and 20. Among young

women why should you not expect a high experience? Perhaps you mean that it was not realised?—We had not realised that it would be so much. We thought that young women would be more healthy. We have found a great deal of anæmia and debility, which we attribute to the conditions of employment.

14,117. In answer to question 11,377, you say, in reference to women's diseases, that women's diseases and allied complications, including varicose veins, account for 13 per cent. of the total of your claims, and that anæmia and debility account for 11¼ per cent., so that 25 per cent. of all your claims are accounted for under these two headings. Claims for anæmia and debility would also be largely claims for diseases peculiar to women?—Largely.

14,118. So that, roughly, you have 25 per cent. of your claims due to diseases peculiar to women. If your members were men, you would only have 75 per cent. of your present claims under the same conditions?—I should not like to commit myself to that without further consideration, but I do consider that a large proportion of the sickness is essentially women's sickness.

14,119. And that, therefore, under present conditions, there are always heavy claims from women for that reason?—No, I have not said so.

14,120. Of course, women are not so subject to pneumonia as men owing to their occupations being indoors?—I have no medical knowledge.

14,121. Your nurse at Cradley Heath is a fully-trained nurse?—Yes.

14,122. You say in answer to question 11,383 that these midwives apparently have been passed by the central authority?—Yes.

14,123. But you realise, from what I have already said, that they have not?—Yes.

14,124. I quite agree with you as to the impropriety of having them there?—I attribute a great deal of our sickness at Cradley Heath to their inefficient attendance.

14,125. You realise that these women, if they have not been trained, are almost worse than useless?—Yes. I think that it is nothing short of a scandal to make women get out of bed the third day after confinement to have the beds made.

14,126. In answer to question 11,384 you say: "Until the nurse went down, the doctor did not give 'notes for lint or dressing from the chemist.' Why is that?—I do not know; it is in the nurse's report to us."

14,127. You are speaking there especially with reference to varicose ulcers?—Yes. I think that the doctors there have far more work than they can undertake properly.

14,128. You have no accurate figures about the number of insured persons who are looked after by each doctor?—No, I have not.

14,129. You think that it is very high?—I think that it is.

14,130. In answer to question 11,398, you say: "My experience leads me to believe that while some 'claims that are not justifiable have undoubtedly been made, the proportion of such claims to the whole 'number is extremely small.' You do not think that there has been very much of what might properly be termed malingering?—No, I do not. It all depends on one's interpretation of the word 'justifiable,' but that is according to my interpretation."

14,131. In reply to question 11,400, you say that you do not think that any large proportion of your members were getting sickness benefit, and at the same time were in good health?—I am quite sure of that.

14,132. Further on, in answer to question 11,407, you say, "I have formed the opinion that doctors—I do not at all say unjustifiably—have, since the Act, pronounced insured persons to be incapable of work in cases in which they would not have pronounced them 'incapable of work, if they had not been insured at all; and possibly even in cases in which they would have hesitated to throw them on friendly societies' funds." Is that your reasoned opinion, that the doctors would

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have hesitated to throw them on the funds of friendly societies?—It is.

14,133. Why?—The relations between doctors and friendly societies were very different from the relations between doctors and approved societies.

14,134. In what way? Are you speaking of the large approved societies, the large centralised societies?—I think that the doctors generally do regard the State insurance scheme rather differently from the limited friendly society insurance.

14,135. Why should the doctor regard it differently? My point is that he is as much concerned with the funds of the approved society, as with those of the other society?—It is given in a very qualified way. I said, "Possibly even in cases in which they would have hesitated to throw them on friendly societies' funds." I do not think myself that there is any doubt about it that the doctors have less hesitation now than formerly, and I think that you will find a great many doctors agreeing with it.

14,136. Of course, you realise that in many societies the one certificate throws the member on both sections of the friendly society, that is, the voluntary section and the State section?—Yes.

14,137. And you realise that so far as the uninsured members of friendly societies are concerned, very similar relations are still subsisting between the doctors and the friendly societies. If you take a lodge of Oddfellows, in that lodge you will find one-third of the members uninsured, and their own masters. They will still be medically attended in most cases by the same doctor as attended them before, and their relations will be very much as they were before. So far as the insured members are concerned, the certificate which throws them upon the funds of the approved section also throws them on the funds of the ordinary section?—My statement was a qualified one.

14,138. My only point is that I should like some more definite reasons for saying that there is any alteration in the practice of the doctors?—I specially guard myself against saying that they do it unjustifiably, but from conversations which I have had with doctors, they have admitted frankly that it is so. They feel now able to prescribe rest.

(*Mr. Wright.*) In a question just now, Dr. Fulton has made a statement to which I could not possibly subscribe. We, on this side, are anxious that it should not go forth as a definite statement that members of friendly societies, who have not become State-insured, are being treated by the same doctors, and that the same relationship exists.

14,139. (*Dr. Fulton.*) I said "very largely." In answer to question 11,476, you referred to a case in which the doctor certified a woman as being incapacitated from neuralgia, and you rather complain of the letter which he wrote to you in reply. You seem to think that neuralgia was not a sufficiently definite diagnosis?—No; we merely asked for further information. It might have been sufficient, or it might not, and our complaint is that the doctor's reply did not throw any light upon the question.

14,140. He certified that owing to neuralgia this person was incapable of work. What further information could you want?—Neuralgia might be a very serious complaint, or a minor complaint. We wanted the doctor to give us some idea as to the degree of incapacity, instead of which he wrote this very discourteous letter.

14,141. The degree of incapacity would depend on the degree of pain?—That is what we wanted to know.

14,142. How is a doctor to know that?—If a doctor is not able to assist in ascertaining the degree of incapacity, then that is a reflection upon his capacity to issue certificates of incapacity.

14,143. How is he to judge of the degree of pain for which he is certifying?—Of course, if you make that as a statement—

14,144. I ask the question?—If you suggest that, it is much stronger criticism than anything which I have said.

14,145. May I put it to you that some people will bear neuralgia without a murmur, while others who

have, so far as one can judge, the same pain, will throw themselves into violent contortions?—According to your argument, whenever a patient says "neuralgia," the doctor certifies incapacity, because he is not in a position to know whether there is incapacity or not.

14,146. If a woman says that the pain is so severe that she cannot follow her employment, what are the courses open to the doctor?—That is not for me to state. My complaint is that we asked for further information, and that the doctor sent a letter which was not at all helpful, and was not even civil.

14,147. Leave the civility out of the question for a moment. Could you suggest the information the doctor could have conveyed to you in a letter, which could have helped?—Yes, the doctor might have said, "This patient is very much run down, and I think that probably 10 days or a fortnight's rest will put her right." Or he might have said that she had neuralgia which he was afraid was a symptom of something else; or he might have said that the patient said that she was suffering from severe pain, and that he was not in a position to know whether or not that was the case.

14,148. If the doctor said that in his opinion the patient was suffering from neuralgia to such an extent as to incapacitate her from work, that is all the information that you could fairly want him to give?—Yes; probably, if all the certificates which had been given by doctors were reasonable certificates; but when occasionally, certificates are given, which, on the face of them, are absurd, naturally, one wants further information in the case of indefinite certificates of this kind.

14,149. I would suggest to you that such a diagnosis as that has always been accepted by friendly societies for administrative purposes?—If the societies could be told that they could accept every certificate given by a doctor, it would make their work very much easier.

14,150. Take the next case, which is one of debility; I suggest that debility has for years been a diagnosis which would have been accepted by friendly societies?—It has been a diagnosis which has not been accepted by some convalescent homes.

14,151. Have you had any actual personal experience of friendly society work before?—Only a very limited experience.

14,152. Coming to question 11,478, in which you refer to a doctor who certified a woman as suffering from neuralgia, and you discovered that the woman had had a blow on the head, how long after the alleged accident was it that the claim was made for neuralgia?—My impression is that it was only a few days.

14,153. You do not know whether the doctor had personal knowledge that the woman had met with an accident or not?—We have no definite knowledge, but when we reported to him, he agreed that the neuralgia was the result of a blow.

14,154. In answer to question 11,479 you referred to the case of a woman who was certified to be incapacitated by a whitlow on the finger. You rather complain that the doctor did not there and then say that it was due to an injury received at work?—I do not know that we complain; we simply quote the case to show the difficulties of administering.

14,155. It is a question of general principle which is involved here; that is, can you expect a doctor to take the responsibility of saying whether a whitlow on the finger, which, of course, is due to some definite septic poisoning getting into the finger, was caused by something which happened at work?—I think that the doctor would be very likely to get information from the patient, and I do not think that it would be much extra trouble for him to put in a foot-note to that effect.

14,156. Stating that the patient states it?—Yes.

14,157. She can do that when she claims for sickness benefit?—Yes, but she does not always do so.

14,158. Would the responsibility not rest on her of making her own claim good?—I think that if the doctors had the interests of the fund really at heart, they would voluntarily help in that way; and also in

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this case we wanted to show how necessary it is to get an adequate diagnosis.

14,159. I will put this case to you: a girl came into my surgery last night with a little septic trouble in one finger. What was my duty there? Was it my duty to say that the septic condition was due to an injury which she said she had received at work, or was it not rather to certify the condition in which I found it, and to leave her to make good her claim at law?—I do not know that it would be your duty, but I certainly think that it would have been very little trouble to you to do that, and it would have been helpful to the insurance fund.

14,160. But I have very grave doubts as to whether it was received at work at all, or not?—In this case, the doctor was quite aware of the nature of the injury, and when we asked for a further certificate, the doctor remarked that the girl's employer would not like it. So here there was a definite influence on the part of the doctor against making a compensation claim.

14,161. Leaving that aspect out altogether, there is the question of principle, which must be of every-day occurrence. If a person has something which may, or may not, be due to an accident, surely the responsibility of claiming the legal right should rest, not on the doctor, whose duty it is to certify the patient, but on the insured person, who should look after his own interests?—If the doctor gave a complete and accurate diagnosis, instead of using some vague term, it would help us to determine whether or not the case was one for compensation.

14,162. To go back to this case of the whitlow on the finger, I do not see what more accurate diagnosis you could get?—In this particular case, the doctor deliberately discouraged a claim for compensation being made. He said that the girl's employer would not like it.

14,163. That is the girl's statement?—It is the statement of the branch secretary.

14,164. Take the case of a cut finger; surely it is not the duty of the doctor to go out of his way to ask for trouble by putting on the certificate a statement of the patient as to the causes which led up to certain events?—I do not want to put any additional responsibility on the doctor.

14,165. Is it reasonable to expect him to undertake that responsibility?—I think that he ought to give an accurate diagnosis.

14,166. I submit that cut finger would be a perfectly accurate diagnosis?—Yes; but the doctor would probably discover how the cut was received, and he might at least suggest the question to the patient.

14,167. He might ask, but whether he believed the statement which was made, or not, is another question?—My only point is that we want more co-operation from the doctors in connection with Section II.

14,168. In answer to question 11,480, you complain about nervous debility. Do you think that that is an inadequate diagnosis?—Yes.

14,169. Is neurasthenia any better?—It certainly is not much better. If you refer to one of my reports, you will find that some doctors absolutely agree with me. For instance, I find that one of our referees' reports from Nottingham states that in the convalescent home, they specially request the doctors not to use such terms as debility, and so on. I think that it would be a good thing, if there were some restrictions in regard to these certificates.

14,170. Surely, neurasthenia is a perfectly well-known disease, and one which frequently incapacitates from work for between two and three years?—I think that in certificates of that nature, which may mean much or little, we are entitled to further information.

14,171. Suppose I am certified as suffering from neurasthenia, what further information could you want?—I should like to know the extent of your incapacity.

14,172. So far as any outsider can see, it is largely a fancied incapacity?—It may, or may not, be. Any highly-strung nervous person may be suffering from it, but that does not necessarily mean that the person is incapacitated.

14,173. In reference to question 11,481, what complaint have you to make about the certificate for ring-

worm?—There we felt that there was no incapacity for work.

14,174. Would you consider that there would be incapacity for work in the case of smallpox?—I should not comper smallpox with ringworm.

14,175. Why not?—Because the one may be a very trivial disease, and the other is so very serious.

14,176. They are both infectious diseases. Ringworm is a highly infectious disease; smallpox never lasts more than a month or five weeks, and ringworm might last two years?—I should very strongly object to paying 26 weeks' sickness benefit for ringworm.

14,177. That is for the society. But so far as the doctor's point of view is concerned, surely a certificate for ringworm is legitimate?—In this particular case I had no quarrel with the doctor.

14,178. The point is, was it not sufficient in this case for your society to say whether you should pay or not, and had not the doctor done his duty when he certified "incapable of work owing to ringworm"?—I do not quarrel with the doctor certifying ringworm.

14,179. Further on there is a most serious case. You say in answer to question 11,487 that a woman who had never seen the doctor got five certificates. Is that so?—Yes.

14,180. Do you mean that he had not even seen her before he issued the first certificate?—No; that is an error. The point is that the doctor was certifying weekly that he saw this woman, but our sick visitor found that it was three weeks since he had seen her. The doctor himself admitted that he had signed certificates for her to go away, and that it was more than a month since he had seen her. She got these five certificates without his having seen her in respect of any of these periods; she got five continuing certificates, and each of them was given without the doctor seeing her.

14,181. (Mr. Davies.) Was she away from home during that time?—No; she was away from home part of the time.

14,182. If she was away for the whole five weeks he could not see her?—She was not away.

14,183. (Dr. Fulton.) What was the cause of the alleged incapacity?—Rheumatism.

14,184. Do you think as a general rule that rheumatism would incapacitate?—We made enquiries, and we sent a visitor. We paid for several weeks, but we did not pay in respect of all these certificates, so we must have been satisfied that for part of the time she was not incapacitated.

14,185. You say in the course of your statement, in answer to question 11,957, that there has been a large increase in resort to doctors. Do you realise from your experience that that has increased very largely the difficulties of doctors?—Certainly.

14,186. In answer to question 11,503, you say that there are cases requiring elastic bandages for varicose veins, which causes a specially heavy burden on the funds of the society. Is it not an error to say that elastic bandages are not supplied?—We have had some cases where we could not get elastic bandages. In Croydon we had some difficulty in respect of elastic bandages.* The committee refused to supply them.

14,187. But bandages being in Schedule II. of the Medical Benefit Regulations, it is not within the right of the insurance committee to refuse them?—We had a definite letter from the committee saying that we could not get it.

14,188. (Dr. Lauriston Shaw.) In reference to your statement as to married women claiming so much more sickness benefit than unmarried women, you say that this is due to the fact that married women are more ill than unmarried women?—Yes.

14,189. Dr. Fulton asked you whether it was not that they had the support of their husbands, and you said that in the case of a great many of your married members, that was not so. But is it not true that the difference between the wages and the sickness benefit in the case of the married women in a great many instances is not so great as the difference between the wages and the sickness benefit in the case of unmarried

* For bandages read stockings.—M. R. M.

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women?—I do not think that that applies very greatly. Very often we find married women earning better wages.

14.190. Take the case of Cradley Heath?—That is a special case. The wages there are low in the case of every woman, married and unmarried.

14.191. On the whole, the married woman is more likely to take lower wages than the unmarried woman?—I do not think that that follows.

14.192. Do you not think that the married woman is much more wanted in the home than the unmarried?—Certainly.

14.193. And that there is more temptation, therefore, to accept some pecuniary sacrifice, and stay at home?—I suppose that that would be so.

14.194. Might not that be the explanation—that the young girl is not so much wanted at home?—I do not think that that would apply.

14.195. She has less wages?—Yes; but she also gets less sickness benefit.

14.196. As a medical man, I am not quite clear that the ill-health of married women is sufficient to explain fully the excess?—I think that the bulk of the diseases of the married women can be traced to special diseases, and troubles in connection with childbirth.

14.197-8. You do not think that these doctors at Cradley Heath are less efficient doctors than the average? You know that their qualifications are exceptionally high?—I have not made any statement against the qualifications of the doctors; I simply say that they have too much to do.

14.199. That is clear from the number of cases they had to deal with in the first year. I would like you to explain this statement, which occurs in your answer to question 11.398: "Doctors are now less restrained from ordering what they think is right for the patient, than they were under the old system." What do you mean by the "old system"?—What I meant was, where there was no sickness benefit.

14.200. You do not mean under the old system of remunerating and engaging the doctor?—I can make that perfectly clear when I say that I am very much opposed to the doctors being under the control of the approved societies.

14.201. What you meant was the old system which caused the doctor, when he ordered a patient to stop work, to feel that he was also ordering him to starve?—Quite so.

14.202. There has been a little trouble about the view which your society seems to take about infectiousness being a cause of incapacity?—There was only that one case.

14.203. Do you think that infection is a cause of incapacity?—I am advised that it is not.

14.204. If a person is unable to work, though in perfect health, because he has a child with scarlet fever at home, then he cannot have sickness benefit?—If you ask me whether it is desirable in the public interest in these cases where people themselves are infectious, or in contact with infection, that they should be compensated, I should say that it is; but I am legally advised that benefit is not payable in such circumstances under the Act, where there is no other incapacity.

14.205. If a man discovers himself to be peeling from scarlet fever, a doctor would not be able to certify that man as incapable of work. You would not accept it?—I would be rather more inclined to accept a certificate of that kind than a certificate for ringworm.

14.206. I do not quite see why?—We were advised that benefit was not payable in these circumstances.

14.207. I want to get away from the ringworm case to the question of infection generally, and to make it clear that you are not refusing to pay sickness benefit, because you think that the danger of ringworm to other people is not such a serious danger as other infectious diseases?—We have had no other case. We should require to consider it very carefully. I certainly would agree that it would be in the public interest that these people should be paid. Whether or not it is legally permissible is another question. In this case we have no fault to find with the doctor.

14.208. I am only wanting to discover whether, when a doctor finds a patient peeling from scarlet fever, he should certify incapacity?—Miss Enfield helps me with the suggestion, with which I agree, that in a case of infection of scarlet fever, in which returning to work might result in complications and incapacity, the society's attitude from that point of view would be rather different. I do not think that we can compare the two.

14.209. With regard to the question of paying sickness benefit, while the patient is suffering from the need of rest, you have told us, in answer to question 11.451, that you did not pay?—This was an exceptional case. The woman had been ill and had recovered, according to the doctor, and there was only a question of rest and treatment being desirable.

14.210. What was the rest desirable for?—It was perfectly obvious; we did not think that we were entitled to pay in these circumstances.

14.211. You say, in your answer to question 11.455, "Only medical opinion can determine the point at which incapacity ends and convalescence begins, and failure to distinguish between the two probably accounts for many of the prolonged claims which many societies are experiencing." Will you define "convalescence"?—It is the old difficulty about what constitutes total incapacity.

14.212. Convalescence is progress towards recovery, returning to a state of health?—Yes.

14.213. Suppose a patient has had pneumonia, and on the twelfth day his temperature becomes normal. From that onwards until he is quite well, he is convalescent, but he is not, therefore, necessarily able to work?—No; this is a question of medical opinion, and I cannot determine the point.

14.214. You would not take the position that the moment a man passes into a state of convalescence, he must *ipso facto* become capable of work?—No; and we have paid many claims of people in convalescent homes.

14.215. In your reply to question 11.466 you say, "I fully realise the extreme difficulties under which many panel doctors are labouring in giving diagnosis." I do not know whether you would extend that to all doctors. Do you not recognise the difficulty under which all doctors labour in giving an accurate diagnosis?—I am advised by a consultant that that difficulty applies to all doctors, but to a greater extent to panel doctors in certain districts where facilities are not available.

14.216. And where there is overcrowding on account of the large number whom the panel doctor has to see, and not on account of the peculiarity of the panel doctor, as compared with anybody else. I do not understand the case referred to by you of a woman who had had certificates from five different doctors. Do you take any steps if you find a different doctor certifying in the case of each successive certificate?—That was some time ago. We should investigate such a case now, but that was in the earlier stages.

14.217. Now you would not accept such certificates?—No; we should enquire. On the point of convalescence, I am reminded by Miss Enfield that there is an additional benefit for convalescence.

14.218. In your answer to question 11.503 you say: "It would, of course, not be practicable to lay on the great specialists of London for every case at Land's End or Berwick-on-Tweed." Do you think it desirable?—It would be desirable for the poorest person in the country to get the very best advice. But that, I think, only shows that they are not inherently unreasonable; we have no Utopian idea of what is possible.

14.219. I put it to you that the great specialist in London is not the most skillful person to deal with the ordinary ailments of a sick person?—I do not suggest that the great specialists should deal with ordinary ailments.

14.220. In other parts of your evidence—it occurs once or twice—there is the expression "adequate medical attendance and treatment." The most concise statement is in the answer to question 11.503, when you say "medicine and adequate medical attendance

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"and treatment which the Act compels us to provide for every case without exception." You do not mean, by the word "us," the approved society?—No; I mean the State.

14.221. Really the Act puts any special duty there may be upon the insurance committee?—Yes; it is more or less a colloquial term.

14.222. Where do you get the word "adequate"? You use the word frequently, and other people more frequently, with regard to this matter. Do you get it from section 8 of the Act?—It is in the Act.

14.223. The only place where I can find it in the Act is in section 15 (2)?—Subsection (2) says: "... shall receive adequate medical benefit."

14.224. Will you read the following words, please?—"From the medical practitioners with whom arrangements have been made."

14.225. That is, the medical treatment shall be such treatment as can be given by the medical practitioners with whom arrangements have been made?—Yes; but that must be read in conjunction with subsection 1, which provides that arrangements must be made with duly qualified medical practitioners.

14.226. And the duly qualified medical practitioners, with whom arrangements can be made, can only be general practitioners?—Yes. But as a matter of fact, even some of the panel doctors are not giving their panel patients the full benefit of their skill. Patients have in certain cases to pay extra.

14.227. But the adequate medical attendance which we are supposed to secure for these people is adequate medical attendance from the medical practitioners who make arrangements for giving the treatment?—Yes.

14.228. Do you think that it could include the services of specialists who were not on the panel?—That is a legal point which can be argued.

14.229. Do you think that that is where you get the word "adequate"?—Yes.

14.230. Now as to free choice of doctor, from which you seem to think that certain evils arise. May I take it that you would be pleased to see the free choice of doctor done away with?—Certainly not.

14.231. You attribute leniency in the granting of medical certificates to the existence of the free choice of doctor?—Partly, yes.

14.232. Can you suggest any way of getting rid of that without getting rid also of the free choice?—There might be a limited choice under a State medical service.

14.233. You say further on that you desire to see a State medical service?—Yes.

14.234. Is your preference due to the fact that you believe everything managed by the State is better than anything managed by other parties?—No, that is not the only reason.

14.235. Is it because you think that there are some arrangements which it would be possible for the State to make, which could not be made by the insurance committee?—I believe that the medical service is one of the first things that ought to be nationalised.

14.236. If you are going to offer us an improvement on the existing system, there must be some particular points which seem to you to set it out as more desirable than any other system?—I think it is more desirable on general grounds. I think that if we had a State medical service, more time and attention would be given to preventive medicine, for one thing.

14.237. You think that if you had a State medical service, you could still have free choice of doctor?—I think that you could have choice of doctor within limits.

14.238. It must always be within limits, must it not?—Yes, it is always within limits. I see no reason why, with a State service, we should not have as large a choice as we have to-day.

14.239. What other advantage would there be in a State service?—The doctor would have a fixed income. He would not be dependent upon the caprice of his patients.

14.240. One of the things that you think would be given by a State service is a fixed salary?—Yes.

14.241. Would that be for a fixed amount of work?—No; the work would vary.

14.242. If there is a free choice, the amount of work would be fixed by the number of patients the doctor was able to attract?—I am quite prepared at leisure to write you a statement of the reasons why I advocate a State medical service.

14.243. You propose in your State medical service to get a free choice of doctor?—Not a free choice, but a reasonable choice, within limits.

14.244. Much narrower limits than those given under the panel system?—I am not prepared to say at the moment what the limits would necessarily be. That is a matter for expert arrangement. I do not set myself up to be a medical expert.

14.245. The idea of a State medical service that you have in your mind is a little undeveloped, is it not?—The details are certainly not thought out.

14.246. Until we get a little more definitely what the State medical service is to be, it is difficult for those who think the panel system satisfactory to criticise it?—If you are interested in the proposals of those who are advocating a State medical service I would suggest that you should have witnesses like Dr. Parker, who have specialised on it.

14.247. Leaving that point for the moment, let us deal with the discrepancy that you find between the views of the panel doctor and the views of the referee. In your answer to question 11,534 you say: "There were 15 cases of insufficient or faulty diagnosis, there were 7 cases of inefficient treatment." That means to say that in the opinion of one single doctor, the diagnosis and treatment of the other doctors was not the diagnosis that that doctor would himself have made, or the treatment that he would have carried out?—You can put it like that if you want to.

14.248. But is not that so?—I hardly think that that describes a case like that, where influenza is diagnosed, where the referee finds no indications of influenza, but that the patient is recovering from prolonged labour.

14.249. Is it not possible for a person recovering from prolonged labour to have had influenza?—The referee found no indications of it.

14.250. Could she possibly have found indications of it? Are there any specific indications of influenza two days afterwards? All that you mean is that in that case the opinion of that referee did not agree with the opinion of the other people?—I mean that, and, in addition, that from our knowledge of the facts of this case, for what it is worth, we consider that our referee was right. Miss Enfield informs me that in that particular case the panel doctor continued to certify influenza.

14.251. You say, with regard to these referees, that none of them are on the panel, and that one referee, from whom you gave us a letter just now, said that she refused to go on the panel for some particular reason?—Yes.

14.252. May we not take it that she has some bias against the panel system?—I do not think so. I do not think that that would apply at all to our women doctors, and I certainly have no reason to believe that it would apply to the London referee doctors.

14.253. On the subject of misconduct, there is one general question. What do you regard as misconduct? Is it the breaking of the law of the land?—No.

14.254. Any breaking of the law of the land would be misconduct, would it not?—Well, I have broken the law of the land myself on occasion, and I would not be prepared to admit that breaking the law of the land was always misconduct.

14.255. Suppose that one of your insured persons, as the result of breaking the law of the land, got ill; I suppose we should all agree that her illness was due to misconduct?—That would certainly depend.

14.256. That would be the general impression of people, who are not anarchists?—It would depend.

14.257. If we cannot come to the conclusion that it is misconduct to break the law of the land, is there any greater likelihood of our being in agreement when we come to the question of breaking the laws of morality?

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—No. It is a very difficult question. Most people have different conceptions as to what constitutes misconduct.

14,255. Then what about the laws of health?—I should say that the laws of health would be a very good test.

14,259. Breaking the laws of health would be misconduct?—It would depend upon the degree to which the laws of health were broken.

14,260. Would you refuse sickness benefit on the ground that a person had broken the laws of health?—It would depend upon what laws of health they had broken.

14,261. Are not most people guilty of breaking the laws of health?—I am thinking rather of certain basic laws. If a person who was suffering from bronchitis went out into the cold damp air and got drunk, of course I should consider that he was guilty of misconduct; he would be breaking the laws of health in such a case.

14,262. If he went out and got drunk and incapable or drunk and disorderly, and thereby broke the law of the land, it would be quite simple?—Yes; or if a doctor wrote us that it was impossible to hope for a cure in certain cases so long as alcoholic habits were continued.

14,263. You would consider yourself justified in regarding it as misconduct in such a case?—It would be a case for consideration. As a matter of fact, we have suspended benefit for misconduct in only one case.

14,264. And that was on your own test of misconduct?—That was on the absolutely definite opinion of the doctor and of the insurance inspector that the woman had been guilty of what is commonly called immoral conduct.

14,265. (*Miss Evans.*) I think that you said that you had heavier claims for sickness from areas where you have many married women—you instanced Acton—and a rather more favourable experience in places like Edmonton where the members were generally single women?—Yes; and where the industrial conditions are better.

14,266. That is a very important point. The industrial conditions are better and wages higher?—Yes.

14,267. I think you said that both in Acton and in Cradley Heath the sickness incidence was about 20 per cent. for cases arising from confinements?—Yes.

14,268. And that in Cradley Heath these cases were attended chiefly by very illiterate midwives?—Yes.

14,269. Would that also be the case in Acton?—I have not the same specific knowledge about Acton.

14,270. You have made no definite inquiry?—No.

14,271. Of course it is well known that large numbers all over the country are attended in the same way?—It has been definitely brought to our notice in the Cradley case, but probably the same causes operate elsewhere.

14,272. Is the nurse that you have at Cradley Heath a midwife?—She has had hospital training, and is a certified midwife.

14,273. Has she recently qualified?—I think she has fairly recently. She is a comparatively young woman. She was not appointed by us, but by the General Federation.

14,274. She makes rather a point of the fact—which I personally should not consider very wrong—that the midwives get the women out of bed on the third day. Perhaps you are not aware that that is quite the most recent treatment for which persons pay large sums of money elsewhere?—I know that it is regarded with horror by a specialist in women's diseases and a very noted doctor, and I should consider it most improper.

14,275. I do not dispute the fact that these midwives do not do it from that point of view. I think you ascribed a good deal of the excessive claims to the fact that many of these persons did not get adequate consultation or adequate treatment?—Yes.

14,276. Or rather, that they have great difficulty in obtaining it?—Yes.

14,277. Does that apply chiefly to towns or country districts?—Chiefly to country districts.

14,278. You have no difficulty in towns?—It has not come to our notice in our own cases.

14,279. You have not had cases of women being kept waiting nine or ten weeks?—We have had a case at Halstead, where a woman has been kept waiting for many weeks for a bed in Guy's, and we have had to pay benefit all the time.

14,280. Are you aware that at many of the women's hospitals there are long waiting lists?—Yes, I am aware of it from my other experience. I found it when attempting to get women, in whom I was interested from another point of view, into hospitals.

14,281. Does your society take any steps to alter that? Do you give any subsidy to the hospitals?—As an approved society we have not done so.

14,282. You made a statement with regard to expensive drugs. I believe you thought that they were withheld from some of the insured?—That is not within my own personal knowledge; I have been informed that it is so.

14,283. Have you any special drug in your mind?—There are the anti-toxins, and also one doctor has informed me, there is difficulty in getting salvarsan. I understand that if a patient is suffering from a certain disease and is treated in one way, he can recover quickly, but that if he is treated in another way, the process of cure may be greatly prolonged.

14,284. Is that method of treatment considered to come within the scope of the panel doctor?—I do not pretend to know anything at all about it, except that I am informed that it is an accepted treatment, that the drug is very expensive, and that there has been difficulty in getting it.

14,285. You would not describe as the only reason why the drug is withheld, the fact that it is expensive?—I am not aware what the reasons are. I am aware that it is a difficult drug to administer.

14,286. May I suggest that it is a very dangerous drug, and one that should be administered with caution?—I, of course, accept your view. I only give that as an instance.

14,287. With regard to your medical referees, you seem to use them more as consultants than in the ordinary accepted way?—They have proved to be more consultants than referees. We are very glad that they have been able to be of service to the women.

14,288. Can you make any suggestion as to how these could be more widely obtained?—As I have already said, I am very keen that, if we cannot have a State medical service, we should have a supplementary State service of consultants and specialists, who could be called in either by the patient, by the doctor, or by the approved society. I think that the services of a woman like our own woman referee in Birmingham would be of incalculable benefit to the women there.

14,289. (*Mr. Davies.*) You stated in reply to question 11,332, that the statistics given by you were approximate. Could you say how they approximate, whether closely or not?—They are a very close approximation. I only meant that I do not guarantee them to be absolutely accurate. There may be a slight error here and there. Probably they are quite accurate, but I thought it safer to say that they were approximate.

14,290. In your answer to question 11,373 you give some comparisons with regard to the distribution of claims at various ages. Would it not be fair to say that for the figures to be of service it would require to be stated how many members of the ages cited are in the branches?—Distribution would affect the problem.

14,291. Without that information the figures are not quite so valuable as they would otherwise be for purposes of reference and comparison?—They are not so valuable, but they are sufficient as an indication. I do not think that there is any special age distribution in any of the branches I have quoted, except at Edmonton, where the distribution would be remarkably young.

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14,292. Between 21 and 25, for instance, the experience would be considerably less than between 16 and 21?—In Edmonton it would be from 16 to 25 or 30.

14,293. Women between 21 and 25 would give a very different average from women between 16 and 21?—Quite. With the exception of Edmonton, I think that the branches are fairly well averaged.

14,294. To get a fair comparison you would require to have the ages practically the same, otherwise the comparison is not quite safe, is it?—There are limits to what we can do on the administration allowance in the way of calculating statistics.

14,295. In question 11,398 you say: "I think that the number of not quite justifiable claims has not been more than what we expected." Could you help us by saying what were the expectations? On what did you base your expectation?—Upon one's commonsense. It followed that in a large State scheme there would be a certain proportion of unjustifiable claims. Almost everybody foresaw that.

14,296. But the expectation was based practically on a person's commonsense?—It was not based on any statistical calculations.

14,297. If it is left to everybody to set up his own basis of what might be expected, the basis of the old friendly society worker would be vastly different from the basis set up by, say, a social worker, whose standard would be very different?—Quite, because, after all, the friendly society people have a limited experience.

14,298. To the extent of 4,500,000 or 5,000,000 people?—Not women.

14,299. No; but I should think that statisticians would agree that if you have a million lives you have a fairly decent basis. Multiply that number by four, and you have the basis four times established on which to express an opinion. Did you base your expectation upon the old friendly society figures, or upon some figures that you had in connection with your trade union experience?—Our expectations were not based upon figures at all. When I say "we," I do not mean "we" personally; I mean people generally.

14,300. You say further down: "Of course there is a proportion (of malingering), but it is only a negligible proportion in my opinion." Having regard to your inquiries, you have really formed the opinion that there is no violent form of malingering, that there is only a small proportion of malingering, and in your opinion it is a negligible quantity?—Yes, that is so.

14,301. It would not affect the experience to any material extent?—That is so.

14,302. That experience is from women, of course?—Yes. It is also the opinion of the referee doctors appointed by the London Insurance Committee.

14,303. They speak for London proper?—Yes.

14,304. Where the class of work is not quite the same as you would get in Lancashire, in Cradley Heath, and districts of that kind?—So far as they are concerned. But our doctors at Cradley Heath also support the view that there is hardly any malingering.

14,305. You give three reasons why the sickness claims were in excess of what was expected. You say: "In my opinion the causes responsible for the total sickness claims being in excess of what was expected are, first, the existence among the previously uninsured class of 8,000,000 persons of much more sickness than we have been conscious of." Can you define that a little more clearly?—I am afraid that I cannot define it any more clearly than I have done.

14,306. You are assuming that the 8,000,000 people that have come into insurance are engaged in a lower kind of occupation than those who were insured previously?—I have already said that you cannot compare the people, who are now insured, with the old picked membership of the friendly societies.

14,307. These 8,000,000 that have come into insurance are supposed to produce extraordinary sickness over what was previously experienced. Does this arise from the fact that they are following more hazardous occupations, or that wages are lower, or that the places where they live are of a different character, or in making this statement, are you setting up a different standard?—I think it is obvious that

much more sickness has been revealed, because for the first time large numbers of people have had free access to doctors.

14,308. Does that answer quite convey what you wished to convey by your previous statement, or that it simply arises from the fact that they have free access to doctors now?—No; that reveals it. The Insurance Act reveals the existence of sickness which previously we did not realise existed.

14,309. You also expressed the opinion that another cause of the excess was "the fact that many members of friendly societies chose not to enforce their full rights, foregoing benefit to which they were strictly entitled." I think that you said, in reply to Dr. Fulton, that you had not much experience of friendly societies in the past?—We had a small friendly society in our federation, and in that case we gave a marriage bonus to members on getting married, who had not received sickness benefit during their membership. The result was that large numbers of them did not claim when they were ill. I have mentioned this to friends in the friendly society movement, and they have informed me that in many cases under the old arrangements claims were not made upon friendly society funds for ordinary ailments.

14,310-1. Would that justify a statement of this kind in general terms? You are particularly dealing with an expression of opinion in regard to female sickness?—If you dispute the statement, I merely give it as my opinion, for what it is worth. I think it is a matter of general knowledge that it was so.

14,312. Is it not the fact in connection with friendly societies, that the cost of the benefits in this particular class varies in relation more to the wages received, than to the character of the employment?—I cannot express any opinion upon that. I should think that the great increase in the claims on the private side of the friendly societies might be taken as an indication of some change.

14,313. Do you consider that six months' experience should be taken as a definite statement against the experience of many years, or are we not treating as normal an experience which may, or may not, be the experience in days to come? Is it quite safe to make comparisons from that standpoint?—Naturally all the evidence that has been given is based upon a very limited experience—not of six months, but of nine.

14,314. You say further: "In my opinion the causes responsible for sickness claims in excess of what was expected, in addition to the general causes just adduced, are that the society's membership happens to be made up, beyond the general average, of classes among whom there exists a higher rate of sickness than was to be expected from the experience of the old friendly societies, and with regard to whom the new freedom of the doctors to do what was best for the patient operates more powerfully." Is that opinion quite correct, seeing that the general complaint is against women, who were not previously insured? We have no comparisons upon which we could base that opinion?—There was, of course, a limited comparison.

14,315. I have suggested the idea that the previous comparison was not so much with regard to sickness, as to the incidence between wages and the amount they could have during sickness benefit?—The mere fact that the friendly societies did not include women to any great extent is referred to in my statement. That is partly what I mean when I say that the society's membership is made up of a class among whom there exists a higher rate of sickness than was to be expected from the experience of the old friendly societies.

14,316. There are societies which have taken women and dealt with them for forty years?—Yes.

14,317. And who in valuation have had to approximate the payments for sickness to the wages received by females in the area?—Yes.

14,318. In question 11,415 you say: "I believe that it will be found that the claims relating to illnesses connected with pregnancy, and with women's special complaints, are responsible for the greater part of the excessive claims among women"?—Yes.

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14,319. You hold that view now, having given the answer that you have given in connection with other matters—that the excessive claims arise from changed conditions, from having all these extra people brought in, and so on?—The two statements are in no way contradictory. I said “the greater part” of it, not all of it.

14,320. I understand the word “greater” to mean the larger proportion?—It may mean 51 per cent., may it not?

14,321. Yes. I was trying to find out what it did mean?—It does not mean the whole of it; it does not mean the bulk of it; it means the greater proportion.

14,322. You say: “I think that the differences “in sickness incidence that appear to exist among “different societies may possibly be attributed to the “uncertainty in which they have been left as to the “meaning of the Act of Parliament, and their consequent difference of practice.” Suppose a big society paid all sickness in the case of pregnancy, for pregnancy pure and simple and all complications, and that this worked out practically to the cost of the financial provision in the Act. Would that opinion still obtain?—There might, of course, be other reasons which accounted for the low incidence of sickness in a special society, but I think that a great deal of the difference is attributable to the variation in practice.

14,323. Should I be right in saying that where sickness claims amongst married women have exceeded what was expected, it has come about by reason of the fact that they have been encouraged to believe that they had certain rights under the Act, which the Act did not intend to provide?—None of us can be clear as to what the Act did intend to provide.

14,324. What I mean is, having regard to the lectures that were given and the idea conveyed to the general public?—Certainly when the Act was explained in the country it was understood by the people to apply much more widely than it is being applied in practice by most of the societies.

14,325. That may be the cause of some of the sickness that we are experiencing?—It will not be a cause of the sickness, but it will be a cause of some of the claims.

14,326. With regard to the question of continuing certificates, in question 11,415 you say: “It is comparatively easy for a society exercising due care in “the supervision of claims to determine whether the “certificate is sufficient evidence of incapacity in the “first instance. Once having accepted it, however, there “is no justification, in the absence of a direct proof of “capacity, or a further medical opinion, for refusing “to accept an identical later certificate.” Do you give us that opinion to show that it has given rise to some of this extra sickness, or that the societies have not power to act as freely as they would like to do?—I give it to show the difficulties a society has in determining when a member is actually incapable of work, and when she ceases to be incapable of work.

14,327. What was that intended to prove—that if societies had this evidence there would be less sickness?—It was not intended to prove anything; it was in reply to a question from the Chairman.

14,328. It does not affect the question of malingering then; if these certificates were handed in oftener, or if societies had more power to deal with these intermediate certificates, it would not reduce the quantity of sickness at all?—If a doctor gives a continuing certificate that a member is incapable of work when a woman is, in fact, not quite well, you cannot call it malingering if she continues to draw sickness benefit, even if she is not entirely incapable of work.

14,329. It is not intended to suggest at all that because it is difficult to determine on a continuing certificate whether a woman is well or not, that leads to any malingering whatever?—I do not think that it leads to malingering, but it leads to the payment of claims which might not otherwise be paid.

14,330. And if they were not paid you would simply say that they were not paid because of the amount of money that you had to deal with, and not because the people did not deserve it?—Certainly.

14,331. In no case would you suggest malingering on account of that?—In a few cases, perhaps. But the number would be negligible.

14,332. In your reply to question 11,957 you say: “So far as I can learn, such bacteriological and chemical “laboratories, and such gratuitous diagnosis, are not “within reach of more than a few score of the 230 “insurance districts, and are especially lacking for “dwellers in the country.” It would be interesting to know upon what knowledge you arrive at that conclusion?—That information was given to me by several authorities, including medical men, in reply to questions from me. It has been suggested to me that that is so, and I only suggest that the Committee should get evidence to see to what extent it prevails.

14,333. You do not know that any of your branches have had special difficulty in obtaining any help that was necessary?—Oh, yes.

14,334. What branches have had difficulty? Could you tell us how many?—I have not worked that out, but our general experience and our records show the result of such difficulty, and it has been suggested to us by our referees in Cradley Heath, for instance. We had a case of a double fracture, which I quoted.

14,335. I was under the impression that most of the large towns had arrangements with surrounding urban districts and local authorities to deal with any cases that were sent to them. For instance, take Manchester, they have arrangements with out-districts by which their cases can be dealt with?—I suggest that we should find out exactly where these aids to diagnosis exist. This statement is theoretical.

14,336. With regard to drugs, do I understand you to suggest that drugs of the same kind and quality are not prescribed for an insured person as would be supplied to the same person if he were a private patient?—I say that it would be interesting to know whether or not expensive drugs are discouraged by some insurance committees. It has been suggested by doctors, that there have been instances where expensive drugs have been discouraged. Also I read in the press that a circular had been issued by one committee to the doctors pointing out that any undue expenditure on drugs would affect their floating expense.

14,337. Would it be fair to ask if you could name the districts, because I think that the chemists in those districts, for their own credit and honour's sake, should have the opportunity of saying whether or not that is so. The suggestion would be resented locally?—I think you rather misunderstand what the statement is. I am not saying that the drugs are of an inferior quality. That is not the statement.

14,338. The statement is that the list is limited?—That it is thought that in practice the supply of expensive drugs may be discouraged. Certain antitoxins are not available.

14,339. Do you make that statement generally—because I understand that some corporate bodies supply such things as these, and the doctors can get them free?—You will see that what I have said is: “Then we have heard, though we have not definite “information, of an analogous inadequacy of treatment in respect of drugs”; and the Chairman asked me: “You do not put that forward as knowing it?” and I said: “No. I only put it forward tentatively. I have been trying to think of things which “should be put right owing to inadequacy.”

14,340. You said that you had discussed this with certain doctors, and that such a state of things exists?—They suggested that it exists.

14,341. (Mr. Wright.) The society that you represent is a branch of the General Federation of Trade Unions?—Yes.

14,342. It was suggested the other day by Mr. Appleton, that, in connection with the insurance branch of the General Federation of Trade Unions, the administration allowance was insufficient to provide money for proper sickness supervision. Do you say that as regards your branch?—We have received 50 per cent. of the allowance, which amounts to 1s. 8½d. per annum, and in the first year we over-spent on administration.

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14,343. Why should the central authority of the General Federation of Trade Unions retain 50 per cent. of the administration allowance? What do they do in return for it?—There is a certain amount of duplication. Duplicate records are kept. Perhaps if I tell you what we have done, it will give you an idea. We have had the cards in bulk. We have distributed the cards to the members of our central branch by post, or through our local agents, where we have sub-branches. We write up the cards and the books, when they are given out, and when they come back. We have issued medical tickets. We have issued to all our members every quarter a circular giving them all information of any new regulations, or anything affecting their interests. We have received sick claims either from our sub-branch agents, or direct from our individual members in the central branch. We have sifted these and paid them, and arranged for sick visiting, where sick visiting was necessary. We have an index card, and on the back of the index card we have kept a record of the contributions paid by each member, and of the sickness benefit paid out to each member. We have also a sickness benefit register, each member having an account, in which the amount of benefit received is entered. The General Federation keep duplicates of the sickness register, and also of the contribution register, so far as our index cards are concerned. But an arrangement is being come to in order to lessen that duplication, and that will mean a considerable saving in our administration.

14,344. Does it not occur to you that there is a very unequal distribution of the administration allowance?—I would only say that we have not found our share adequate to meet what we have had to do. I believe, however, that the General Federation has had to do a lot more for its other branches than it has done for us. I believe, also, that our supervision of sickness claims has been much more rigid and thorough than that of most other branches, and it has necessarily been so because we have the women. Also, we have done our own tracing work up to a certain date, which costs a lot of money. In addition to that, we have kept books, drawn a balance sheet, and so on. As you will see from the evidence I have given, we have necessarily kept books, or we could not have produced this statistical information.

14,345. I think we can draw our own conclusion if you will just answer this question. May I take it that, as regards your branch, the central authority of the General Federation of Trade Unions keeps a contribution register, a membership register, and a sickness benefit register, upon material supplied by you?—Yes.

14,346. And that so far as you are concerned that is all the connection they have with you? I mean so far as clerical work is concerned?—I think so, except that they supply some printed matter, and issue index slips to insurance committees.

14,347. You have 21,000 members, and I think that you told us that 50 per cent. of these belong to the central branch, and that 50 per cent. are attached to the various branches throughout the country?—Yes.

14,348. Therefore, you are, in a sense, both a centralised society as regards your central branch, and a decentralised society as regards the branches?—Yes.

14,349. But with regard both to the claims of the general branch and to the claims of the local branches, the same scrutiny is exercised by your office?—Precisely.

14,350. Can you tell us what proportion of the claims that are questioned come from members of the central branch, and what proportion come from members of the local branches?—I should think, if anything, there are less queries in the case of the branches, because our local branch officials query claims before they come through to us.

14,351. Yet your sickness experience is, speaking generally, higher in the branches than in the central branch?—Yes.

14,352. That points to the fact, does it not, seeing that there is the same scrutiny of claims, that the excess is in the duration of the sickness in the branches?—I

do not think that we can distinguish in the duration. We have worked out the duration for the branches, not for the central, but we have not noticed any differentiation. Taking all the branches together, the average duration was five weeks one day for the first six months.

14,353. With regard to the central members you have practically no sick visitation?—Except where we suspect.

14,354. But speaking generally you have no sickness visitation. Therefore you depend entirely upon your scrutiny of the claims?—And on any knowledge we have of the member, and on information supplied through their letters.

14,355. But what knowledge would you have of the members of your central branch?—Their occupation, their wages, their conditions, their age.

14,356. You do not mean personal knowledge, knowledge of the members' personal character?—In a good many cases we have personal knowledge. But wherever there is any doubt, we send a special visitor to the case.

14,357. You have 11,000 members. You do not suggest that either you, or any of your assistants, would have personal knowledge of any large proportion of that 11,000?—We have a tracing form, of which I have sent a copy to the Committee, and whenever a claim comes in, this tracing form is filled up with certain information—age, occupation, wages, and so on. Then we look at the claim in conjunction with this form and the doctor's certificate. If we are not satisfied, we delay payment, and inquire further, either through the post or by sending a visitor. If it is a straightforward case, like a broken leg or scarlet fever, we do not visit, we simply pay.

14,358. In the branches you have systematic sick visitation?—Yes.

14,359. That being so, how do you account for the fact that the sickness liability generally, leaving out certain places, is higher in connection with your branches where there is systematic visitation, than in connection with your central branch where there is no visitation?—There are a lot of reasons—such as the difference in the percentage of married women and the difference in industrial conditions. A third cause is the different liability to accident. Accidents swell our sickness claims at Cradley Heath, and probably at Nottingham, because outworkers cannot recover compensation. There are also differences in the adequacy of the medical attendance and treatment between one locality and another. I have already pointed out that our members at Cradley Heath have much less adequate medical treatment than the members in London. They get assistance, but much less skilled treatment than in large cities; they have fewer hospital beds available; they have next to no nurses; they differ in occupation. In our central branch we have teachers, clerks, domestic servants, and so forth; in our branches, we have general workers, laundresses, factory workers, and other hard industrial workers. There is a distinct segregation, therefore, of relatively good lives in our central branch. There are differences also in the conditions of admission. The branches represent a trade union membership; the members were admitted practically *en bloc*; that is what the trade unions became approved societies for. The central members were admitted individually, after replying to questions as regards health, and many applicants were refused membership. We took everybody in the branches; we sifted our membership in the central branch. I believe that we have, on the whole, better lives in the central branch than we have in the local branches.

14,360. You told us that you had a good deal of pressure brought to bear upon you from your branches with regard to claims which you felt it your duty to question at the head office?—Yes, and also from our individual central members. We have pressure occasionally from doctors.

14,361. I think the answer was that the greater part of the pressure came from the branches, was it not?—In the branch system the pressure is rather different. It comes in full volume on the local officials,

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and then we get the result of that from the local officials; so that the volume of pressure would be greater in our central branch than from our local branches. In our central branch every member brings pressure; in the local branches the pressure comes from the officials.

14,362. In regard to your members, in the central branch you are dealing with them impersonally?—Yes, impersonally and individually.

14,363. With regard to the members in your local branches, there would be a certain amount of local feeling on the part of the other members, would there not?—Yes.

14,364. When you have pressure, is it ever suggested to you, on the part of those who bring the pressure, that, apart from the actual legality of the claim, the particular member, for instance, has always been a good member of the trade union, and one whom they can thoroughly recommend to you as being honest, and so on?—Such statements have been made.

14,365. Has this any influence upon you at all?—I could not say that such statements have no influence, but they would not influence me, if I was convinced that the claim was an unjustifiable one. But if a member is a good trade unionist, and is a member of a good character, it is bound to affect us. Even subconsciously it is bound to affect us.

14,366. Then I want to ask you whether, in your opinion, having subconsciously, as you say, taken that view, you think that that accounts to any extent for the excessive claims in the branches?—I really do not think that it accounts for it to any extent. It might account for an individual claim here and there. But, as a matter of fact, we have found that where a line was taken by a branch committee on a certain case, there was the point of precedent to be considered, and that if we did concede a point in this case, it meant conceding it in dozens of other cases. I think that that would weigh against the other consideration. I do not think that we give our branch members privileged treatment in any sense of the word.

14,367. I do not suggest that. What I was rather suggesting was that local sympathy and local recommendation might have something to do with the recognition of claims which at first appearance might not seem to be justifiable, while similar claims if sent in by members in the central branch would not be recognised?—There might be something in that certainly. Our branch secretary knows the members individually, their family history, and everything about them, and certainly if there was any doubt about a claim, the branch secretary would furnish us with every argument that would be likely to influence us in paying the claim.

14,368. Now about self-government, the central branch is self-governed, I take it?—Yes.

14,369. It has a separate committee?—No, the central branch has the same committee. We arranged for district meetings. In London alone we had 16 district meetings for our central members, and there they appointed delegates. We have an annual delegates' meeting. So that every member has the opportunity of voting for a delegate to the annual meeting. Every central member got a list of the district meetings which had been arranged: she had her choice of 16 different meetings. Three delegates were elected, and an annual delegates' meeting was held.

14,370. Did you find that members responded to your invitation to the meetings?—Not as largely as we would have liked. There was a fair attendance at most of the meetings.

14,371. What would be the average attendance at each of the 16 meetings?—I really could not say. Perhaps 100 would be the maximum, and 50, 40 or 20 the minimum. It would depend on the district.

14,372. 100 would not be the average?—I do not think so.

14,373. With regard to your local branches, do you find that the members take much interest in the government of the society?—That depends. If there is a strike, or a dispute going on, they take more interest in the society, or if there is any question of sickness benefit being refused. But apart from that,

unless there is something special on, they do not take an extraordinary interest.

14,374. The business is separate from that of the trade union?—We work it as though it were.

14,375. Do you not hold separate committee and general business meetings to deal with the insurance business?—The central committee will meet perhaps at 3 o'clock, and discuss insurance business until 5 o'clock; then it will simply reconstitute itself without moving, and go on with the trade union business.

14,376. Then you cannot distinguish between the interest taken in the trade union and the interest taken in the administration of the Insurance Act as regards your members?—I am inclined to think that there is more interest taken in the trade union than in the insurance business—much more.

14,377. Do you attach any particular value to the provision that approved societies must be self-governed?—I do.

14,378. Does the experience in your society justify you in believing that members avail themselves of the right of self-government?—I think that it is very important that they should have the right of self-government. Probably later on, when questions of principle arise, they will take more interest. Before the Act was passed, we had crowded meetings to discuss its provisions; tremendous interest was taken. I think it is most desirable that they should have self-government.

14,379. We are considering administration. Can you tell us, quite apart from the interest in the trade unions, whether your members—the ordinary members—take any interest in the administration of the National Insurance Act?—In some districts they do; in some districts they take a great deal of interest. For instance, we have a committee of working girls, which meets every Monday night—a claims committee—and every difficult claim is put before them for decision.

14,380. Are they paid for attendance?—No. They get their car fares—2d. or 2½d.

14,381. (Mr. Warren.) I gather that you are having the most difficulty in respect of married women?—We have the heaviest claims from married women.

14,382. In the evidence you gave a fortnight ago you used an expression something like this: you do not think it is in the interests of the women from any point of view that they should be prohibited from doing any kind of household work?—I meant by that that it is not in their interest that all household work should be forbidden. I did not mean that there were no kinds of household work which should not be forbidden.

14,383. You go on to say, "It is obvious that within the four walls of a house there are many little things that a woman can do without injury to herself, even if she is sick," and then you say that you object to the conditions being made too irksome. You use an illustration in reference to yourself, that if you were ill you would like to be freed from all which was irksome and from worry?—If I was ill, I should want every consideration.

14,384. You object to the conditions being made too irksome, and on the other hand, you object to their being too pleasant?—I do not think that I ever said I object to their being too pleasant. I consider that sick people should have a minimum of worry and a maximum of comfort.

14,385. Can you tell us, in your opinion, what should be the medium?—I think you are reading something into my evidence which I never said.

14,386. What I was wanting, if it was possible, was for you to tell us from your experience what you meant to suggest should be the regulations in respect of married women in receipt of sickness benefit?—I think that they should not do heavy housework, but if they are discovered doing it, I do not think that their benefit should be suspended. I think the punishment should be commensurate with the crime.

14,387. To bring that about would require that a schedule should be prepared as to what they must not do, and what they might be permitted to do?—I think that we could give some definition without going to the extent of having a schedule.

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14,388. The sick visitors would require some such instruction as that, would they not?—If you said that they were doing work of such a nature that it was likely to delay their recovery—

14,389. But would the sickness visitor be able to judge of that?—In consultation with the doctor.

14,390. We do not want to stop married women from doing that which they are capable of doing, but how are we to supervise these sickness claims, unless there is some rigid regulation as to the work they can perform?—Legally their title to sickness benefit depends on whether or not they are incapacitated, and this question of household work is a question of rules and breach of rules, and whilst I think reasonable rules might be made prohibiting heavy work, I do not agree that benefit should stop if the women are found doing that heavy work, unless at the same time there is evidence that the woman is not incapacitated. I do not think that the mere fact of her doing the work proves that she is capable of doing her ordinary work.

14,391-2. Then you cannot possibly exercise the same supervision with regard to a married woman that you can with regard to a man. The fact of his being incapable of following his ordinary occupation entitles him to benefit, and if you find him doing anything else it is a violation of the rules governing conduct during receipt of benefit. You would not pay benefit to a man who was digging his garden whilst in receipt of sick pay?—He might be pruning, or nailing up his roses or something.

14,393. Your experience does not lead you to be entirely satisfied that you have strict sickness supervision throughout the society?—It all depends what you mean by strict sickness supervision. I consider that we do very carefully and strictly supervise our claims.

14,394. From the fact that they are scrutinised at the central office?—And in all doubtful cases they are visited, and in the case of the branches, visited irrespective of being doubtful.

14,395. But you do not make it a condition that every person in receipt of benefit should be visited at least once a week?—No, we have not.

14,396. You told us something regarding your experience at Edmonton. May I assume that that experience is largely due to the friendly society spirit, that is evinced by the Edmonton branch?—I have already said that there are a lot of explanations. The women are comparatively better paid, there is a very small percentage of married women, the age distribution is, comparatively speaking, low, and in addition there is the friendly society spirit.

14,397. You say in answer to a question, there is a friendly society spirit at Edmonton. Do you say that that is of value in the experience of the branch?—I think it is helpful.

14,398. Can you give us any reason why it is that the — doctors are more difficult to deal with than in other centres?—I am afraid I am not able to explain that. It may be partly temperamental. The bulk of our difficulties, strangely enough, have been with — doctors, though we have had difficulties with doctors elsewhere.

14,399. I think you told us that you had had no very considerable friendly society experience?—When I say that I have no very considerable friendly society experience, I mean that I have not administered a large friendly society, but I have had experience. For instance, 11 or 12 years ago I was administering a branch of a small friendly society, and for the last six or seven years, I have been connected with the administration of our federation.

14,400. Did they give medical benefits?—No, we had no connection with doctors. I have had no previous experience of doctors in this connection.

14,401. May I take it that the members of your society suffer in the same respect as the members of most other societies in not appreciating the real meaning of insurance, to the extent that they imagine that the funds are inexhaustible?—We have taken every step to point out to them that that is not so, and whilst at the beginning there was some misunderstanding, I do not think that our members have any

excuse for not understanding now. The branches especially appreciate it.

14,402. But notwithstanding any improvement which may have taken place in that respect, you are of opinion that the Government should guarantee at least minimum benefits?—Certainly, I feel that very strongly.

14,403. Notwithstanding the administration of the particular society?—My recommendation is qualified. I consider that some conditions will have to be made for careful administration, and after consideration, possibly various methods might be thought of, but there could still be encouragement given to societies which do well. I have no objection to surpluses; it is deficits that I object to.

14,404. I know that you have gone so far, without urging this principle of the guarantee of minimum benefits, as to suggest that there should be some recognition where the society is well managed?—Yes, and where the society is badly managed, or even where the sickness rate is excessively high, investigation should be made, and if necessary, approval should be withdrawn from the society, if it is found to be due to its administration.

14,405. And then with respect to benefits during childbirth, I think that you hold the opinion that employed women should receive in all at least ten weeks benefit during that period?—I think that that is a minimum allowance.

14,406. How much of that would you suggest prior to birth?—That is rather a question for the doctors. I said myself four weeks before; certainly for the ninth month at least the woman ought to be provided for.

14,407. Four weeks before, and at least six weeks afterwards?—Yes.

14,408. Would you say that benefit should be paid in all claims of pregnancy—simple pregnancy without any complication, or complaint arising therefrom?—I think that pregnancy should be paid for at whatever stage the doctor certifies that it is not in the interest of the woman, or of the expected child, that the woman should continue at remunerative employment. I would not rest the whole responsibility on the panel doctor. If there was any doubt, another doctor could be called in, but if medical opinion was agreed that it was desirable, benefit should be paid. Just now we have the referees under the London Insurance Committee reporting to the Committee that women are in an advanced stage of pregnancy, and ought not to be at work, and cannot be at work, but they are advised that benefit is not payable, and therefore, they have certified them as capable of work.

14,409. Because they are not in a position to certify any other complaint, or anything arising from it. Is that so?—What the doctor said was that the only symptoms were those commonly experienced, more or less acute.

14,410. It would save a great deal of complication and difficulty, if all cases of pregnancy were paid for as pregnancy?—I am not prepared to demand that every pregnant woman should be paid for many months. I do not think that that is a practical proposition, but advanced pregnancy should certainly be paid for. As far as I am personally concerned, I would go very much further even than the recommendation I have made here. I consider that, if such women are not otherwise provided for, it is the duty of the State to provide for them at any stage of their pregnancy.

14,411. (*Mr. Thompson.*) I think we have gathered that such excessive claims, as you have, are due, in your judgment, less to any ineffective selection of members, than to a more generous interpretation of the Act?—No. I do not think that we can claim to have interpreted the Act generously.

14,412. Not more generously than other societies with which you have acquaintance?—I feel that we have administered it more fairly than many other societies, but I do not think that our administration deserves the description of generous.

14,413. I was taking generosity as a comparative term. You have administered it less harshly than other societies. Would that meet the difficulty?—We have

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administered it less harshly than certain other societies, but I think necessarily we have been rather harsh at times.

14.414. Do you think the difference between your society and the others is due to the standing of the members—the comfort of the members—or due to the degree of generosity or harshness with which the society is administered?—Certain societies that I have in mind certainly, in my opinion, owe their low sickness rate to their absolutely unjustifiable and preposterous methods of administration.

14.415. May I call your attention to your answer to question 11,592; I think that we must all feel gratified that there is a solution which is ideal and complete. May I ask whether that is your personal view or the Federation's view?—So far as my own society is concerned, I am quite sure that the members would support that view.

14.416. They would regard the administration of the whole of the work by the State as ideal and as furnishing a solution?—That is perhaps rather overstating it. It would be better if I said that there is no ideal or ultimate solution short of that.

14.417. In your judgment, would that furnish a complete solution of all our difficulties?—That is rather more than I want to say. Short of that, no solution is complete. I do not for a moment claim that there would be no difficulties under a State scheme.

14.418. Would you say that it would most likely tend to a reduction of excessive claims?—My suggestion is rather that the unfortunate society should not be driven to harsh administration by excessive claims. My point is, that as things are to-day, any society that has a surplus has it, and must necessarily have it, at the expense of some other society, and even if the volume of sickness were as great—of course if we had a medical State service I believe it would be reduced considerably ultimately—it would be spread over the whole population.

14.419. I was not presuming to touch on the question of a State medical service. I was more concerned with a State assisted service?—When I say the State, I do not want to shut out the municipalities. The ideal method might be a State clearing house and municipal administration. I believe that it would be more economical, and more satisfactory from every point of view.

14.420. I suppose that we may take it that our first object—I mean as regards this Committee—is not economy. Our first object is enquiry into excessive claims. That is what we are most concerned with?—Yes.

14.421. Does this suggestion of the State taking over the societies approach to a complete solution of our difficulties in regard to that matter?—I think it would go a long way towards it.

14.422. Could you give us grounds for that view?—Under a State scheme I believe that the medical attendance would be much more adequate, and much better, and that there would be an ultimate reduction in the sickness in consequence. I believe the administration would be uniform—just now you have great variations in administration—and altogether it would be more satisfactory, and also all the burdens would be equally divided.

14.423. That is to say, you would extinguish the societies in order to get equalisation of rates. Is that putting it fairly?—I would extinguish the societies in order to get satisfactory health insurance, and short of that, I do not believe that we can have satisfactory health insurance.

14.424. You regard uniformity as desirable and necessary?—Certainly. All the people are alike compulsorily insurable. They are all entitled to equality of treatment, and because a society has an unfortunate class of members, or a class of members whose sickness incidence is heavy, it should not be driven to extreme measures, which we have all had evidence societies are driven to.

14.425. Do you confine your desire for uniformity to the question of benefits; or are you taking a wider

view than that?—I think that the whole thing should be uniform.

14.426. Have you formed any view as to the machinery by which the State will administer the Act?—I think it might be largely done through the public authorities. We have all the machinery there. We have our health visitors, and medical officers, and so on, already. We have the beginning of it.

14.427. And as to the administration which lies outside the scope of the medical service—the administration of payment of benefits, and the collection and delivery of cards—how would you propose that that should be dealt with?—I think it could be done more economically than at present through the local municipal department.

14.428. You are aware that both the State and municipal authorities have their difficulties. We have instances in the postal service at present, and also at Leeds?—I do not quite see the relevance of that to this suggestion. If you mean that the municipalities would have difficulties with the people in their employment in administering the Act, I am not aware that approved societies, even the largest of them, are free from those difficulties.

14.429. I gather that that is only perhaps ideal, and that if the societies are extinguished at all, the extinction is to be gradual, and, I hope, painless. The suggestion is indeed that they should be encouraged by the hope of gaining a bonus in some cases?—If we are a little way off the State management of the scheme, we have to consider some methods which can be adopted immediately.

14.430. You put forward that alternative as a practical one at present?—I put it forward as one more likely to win the support of this Committee.

14.431. With regard to the figures of your branches, we have heard that the central branch has a more favourable experience than the others. I think you said that the central branch included a number of casual workers?—A small proportion, yes.

14.432. So that it really does not affect the situation?—No. We have a number of school teachers, and a rather superior class.

14.433. To such an extent as casual workers would affect the situation, you would expect to find it against the results in the central branch?—Yes, it is comparatively small.

14.434. (Miss Wilson.) In the case of certificates such as debility and anemia, do you write straight to the woman and say that you are not going to pay in such cases?—No. If we get a certificate for debility or anemia, and we are dealing with her by letter, we say: "The certificate we have had is hardly sufficient, as to justify the payment of sickness benefit, there must be evidence of total incapacity; would she very kindly give us further particulars." And sometimes we write to the doctor in the same sense.

14.435. And then, if the doctor does not give any further information, you would go by the report of your sick visitor?—We should be guided by the sick visitor. In most of these cases we pay for a short time, but we watch the claims very carefully as to how long they last. We almost always get more information. The member will write and explain that perhaps she has been in bed for three days. She will tell us some other symptoms, and give us more information, or the doctor sometimes gives us more information. In 99 per cent. of the cases we feel justified in paying after we get the additional information.

14.436. Even on these vague certificates?—Yes.

14.437. I notice that in one case which you sent to a referee, the referee said that she could find no trace of organic disease, but you are not rejecting anemia and debility, because you do not regard them as specific diseases?—We do not refuse claims, if we get more information, which makes us feel that the member is really incapacitated.

14.438. That is the only test—incapacity—whatever the certificate says?—Yes, in these cases; not for pregnancy. Of course that is a different matter.

14.439. You have told us that a large proportion of your claims come from the married women. Can you give us any idea as to whether you think that the

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sickness rate amongst the unmarried women is higher than that amongst men, setting aside married women altogether?—We have every reason to think that it is.

14.440. Can you give us your reasons? In the Edmonton branch, for instance, is it so?—It is more a generalisation. Personally I should expect to find more sickness amongst young women than amongst young men for certain physical reasons.

14.441. Can you substantiate that from your experience? For instance, taking the Edmonton branch, is it so?—We have not been able to compare the Edmonton branch with any similar group of men.

14.442. You have not been able to compare any of your other branches?—We have not definitely, but of course any number of employers including the various Government departments, can show from their experience that the actual sickness amongst women is greater than amongst men. Take the Post Office.

14.443. There may be other reasons which account for that in the Post Office?—Employers are always giving as a reason for paying lower wages to women that their physical capacity and endurance are not so great.

14.444. Employers give a great many reasons which you would not always agree to, do they not?—But they very often bring forward arguments to show that the loss of time through sickness in the case of men is less than in the case of women.

14.445. Is that at special ages only, or in special occupations only?—I do not think that it is at special ages or in special occupations only.

14.446. You have told us, from the report of your referees, that they consider that you are paying in some cases simply because a woman is waiting for an operation, or is waiting for hospital treatment?—Yes.

14.447. Do you think that if they had the best treatment available, your claims from unmarried women would still be higher than from men?—If that special treatment were available for men and women, I should expect a reduction in both classes. I should expect the sickness of the men to be reduced also as the result of more efficient and adequate treatment.

14.448. But do you think, in the case of special diseases of women, that that is possibly a very large factor at present in putting them unnecessarily on the funds, because they are not being given the best advice to start with; or in keeping them longer on the funds, because they are either waiting for an operation, or ought to have an operation, the need of which is not discovered for some time?—It certainly does apply to a great many cases of women's diseases, and probably, if adequate treatment were forthcoming, the disparity between the men's and women's sickness rate would be less. I do not think that it would disappear, but it would be less.

14.449. It is possible that adequate treatment would affect the women's claims in a greater proportion than it would affect men's?—I believe that it would decrease the difference.

14.450. You told us that the claims between the ages of 16 and 21 were unexpectedly high. Can you give us any further details about what types of complaints these are? I think you said that they were largely anaemia and debility?—We have not worked them out in that way, but my impression is that a great many are anaemia and debility, especially anaemia.

14.451. Do you think that it is possible that access to medical treatment at the age of 16, and getting better advice and treatment, quite apart from being on the funds, may decrease that kind of claim in future?—If they get it, yes; but I do not think for a moment that they are getting it now.

14.452. Do you think that mothers are inducing girls of 16 to go for advice of that type a good deal, quite apart from their being ill or not?—I have no evidence that that is so; undoubtedly more girls are going.

14.453. They are not going as a matter of routine for advice?—We have no evidence that they are going as a matter of routine.

14.454. Have you seen any evidence of a preference for going to women doctors under these circumstances for special women's complaints?—I have heard a great

many complaints that there are so few women doctors on the panel. I heard of one case of a girl personally known to me (she was in our employment), who was suffering from boils, and she had chosen a panel doctor, and when I suggested to her that she certainly ought to go to the doctor at once, she said that she would not mind going to a woman doctor, but there was no woman doctor on the panel near. Finally she went to a doctor at her own expense, and it was discovered that she was suffering from blood poisoning, and she was immediately laid up. That is only an instance, but I believe there is a feeling that there should be more women doctors available.

14.455. Do you think that that runs through all classes of insured women, or do you think that it is rather limited to what we might call the clerk and shop assistant class?—It is more likely to be found amongst the clerk and shop assistant class, certainly. I might say that in that particular district, which the doctor visited since last I gave evidence, many of the women visited expressed great pleasure at the doctor's visit, and said that they had never been so thoroughly examined before, and that they felt that they could talk more freely to a woman doctor than to a man.

14.456. You feel that if in future more women doctors were on the panels, it would very likely make a great deal of difference, both to the treatment of the women, and also in keeping down the claims or shortening the claims by their getting better advice, or more suitable advice?—Certainly, if the women doctors are to be of the type of those of whom we have had experience, I should expect that. I think that the reports of our Birmingham referee, for instance, show that.

14.457. What difference do you find between the reports of your women referees and of the men referees of the London Insurance Committee?—The London doctors declare off a very much larger percentage of the women.

14.458. You do not think that that was accidental?—I do not. I am convinced that the London doctors are more severe, and that they declare off more readily than the women doctors.

14.459. Is that because the women doctors have a lower standard of what constitutes incapacity, or because they examine the cases more carefully?—I do not feel competent to say what the explanation is, but, for instance, here is a case that a London doctor has dealt with. "In my opinion the above-named insured person is capable of work for the present. She is not suffering from chorea, but she has mental attacks, and she has hysterical attacks. Her earning capacity, I should think, is very small. I wonder she is able to obtain employment at all." That is not the kind of report we get from our women referees.

14.460. Is this, in fact, a disablement case altogether?—Yes. There is another case—a pregnancy case—where a doctor certifies a woman as capable, although she is suffering from abdominal pains and morning sickness, and although she has been in hospital with gastritis, and though her appetite is poor, he considers her fit for work. I do not think that in that case a woman doctor would have certified her as fit for work.

14.461. Have you stopped paying benefit?—We have acted on all these reports, but we have referred some of them back to the insurance committee. The doctor said in this case: "I consider this woman's symptoms are due to her pregnancy, and do not find incapacity, and think she could attend to domestic duties."

14.462. That is a case of following her own occupation?—She was a domestic, and she was obviously not in a condition to do domestic duties in that sense.

14.463. But the doctor's note says that she was fit?—Yes.

14.464. Have you stopped paying benefit in that case?—In that case we have. There is another case in which the doctor says that the woman is capable of work. "She is five months pregnant, she comes over faint and suffers from palpitation, but these are the ordinary accompaniments of pregnancy, and cannot be

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"regarded as sufficient to prevent her doing any work." If you will compare these reports with the reports of our own referees, you will see a distinct difference, both in the information that is given, and in the conclusions which are come to.

14,465. There are several cases in which your referees have said that as the woman's work is home-work of some type, they do not consider that she is prevented from doing it?—Yes.

14,466. They have distinguished between capable of some light occupation, or capable of going out to work, and in some cases they have declared a member off, saying that though she will not be able to follow her own occupation very likely for some months, they think that she is capable of some light occupation?—Yes, and they have actually recommended us to declare her off. I do not want in any way to attack the London doctors. I only feel that from the point of view of providing treatment or advice for the people, they have done nothing, and our women doctors have done a great deal in that direction. They have not contented themselves with saying that such a person is incapable or capable, but they have given us advice and information as to what should be done.

14,467. Your women have acted as consultants, and the London officers have acted as referees?—Yes.

14,468. In your interpretation of incapable of work, are you making any distinction between continued probable incapacity for following their own employment, and temporary incapacity for following that employment which might possibly be compatible with some other work, and changing their occupation altogether? Take the case of a woman who is temporarily unable to do factory work, and might conceivably be able to do clerical work. If the incapacity was only going to last for a month, you would not expect her to become a clerk, whereas if it was likely to last for many years or altogether, you would expect her to find some other employment?—I do not think that we have made that distinction because in our earlier administration, we rather paid on the lines of being incapable of following the employment, and latterly we have paid on the lines of total incapacity.

14,469. For any work whatever?—It has hardly been any work whatever, but total incapacity in its ordinary sense.

14,470. And you have not considered what the woman's employment was at all?—In some cases we have. For instance, if a doctor says, "This woman is 'not fit to stand 10 hours a day in the factory, but 'she is fit to follow a different occupation,' we do not pay. That has been our practice latterly.

14,471. Your practice has slightly differed?—It has altered very much.

14,472. I want to understand your reply to Dr. Shaw about the ringworm case. Would it be fair to say that you are putting it in the same category as the cases of pregnancy in which the woman is not incapable of work, but the employer has forbidden her to go back to work?—We have not in our minds connected the two cases. I think myself that they are rather different.

14,473. It would not be fair to say that the reason you refused payment in the ringworm case was because the woman was capable of work, but that, from the point of view of the employer, work could not be given to her on grounds other than that of incapacity?—Yes, I think that was the ground on which we refused. We were also fortified in our decision by the fact that infection is scheduled as an extra benefit.

14,474. You regarded that as infection of the person who was ill?—We were so advised. It ought to be clear, of course, that we allowed a week in that case.

14,475. That was rather illogical, was it not, that you should pay at all, as there was no more incapacity for a week than for a longer time?—It was on the doctor's first certificate and letter. He said she was quite incapacitated, and we paid on the understanding that there was probably something else the matter.

14,476. Was it a mistake?—I suppose it was.

14,477. If all your branches were merely branches of an approved society, and had no connection with

trade unions, would you prefer to do away with them, and centralise altogether?—Yes, I think we should.

14,478. Would you prefer that form of administration?—From our point of view, it has been more satisfactory.

14,479. But you would not consider it practicable on other grounds. You would consider that it was interfering with the trade union side?—We have been so anxious to make the administration as democratic as possible, that we are reluctant not to have local committees.

14,480. But still, the trade union side apart, you would do away with the local committees?—I do not know that I ought to say what we would do under impossible circumstances. Possibly, if there was no trade union, the whole society would be organised in a different way.

14,481. But do you consider that your central administration is the most successful from the approved society point of view?—It is the easiest. It works with the least friction.

14,482. And with the best results?—If a low sickness rate is a good result, yes. We do not think that that is due to its being a centralised society. As it happens the results are the best, but we do not attribute the results to the fact that it is worked from the centre.

14,483. But you do partly attribute it to that, or you would not wish to do away with your branches?—No, I do not think we attribute it to that at all. The point of view of dealing with the branches is the lack of competency on the part of many of our local officials in their financial transactions. We have difficulties about receipts, and about balancing the books, and so on.

14,484. But still, apart from that, the central administration has been more successful?—It is more economical in administration, and it is easier to work.

14,485. But are we to understand that you fear, through its being too harsh, that you have got the sickness rate lower than you ought to have?—The methods have been exactly the same for the branch as for the centre.

14,486. They cannot have been exactly the same, because you have dealt in the central case with the thing on paper, and in the case of the branches it passes through someone else's hands, and you have had the opinion of another person upon it?—But we have dealt with it on paper in exactly the same way as a central member.

14,487. On paper, as far as writing in one case to the member, and in the other to the local branch secretary, goes, but there has always been someone else through whom you have got information in the case of the branch?—We have got supplementary information, certainly.

14,488. You have not dealt straight with the member?—No, we have dealt through the secretary, but our method has been precisely the same. We have had the same facts before us.

14,489. But there has been the personal equation in the case of the branch, and not in the case of the central member, and you have always dealt through the secretary?—We have dealt through the secretary, certainly.

14,490. Which must have had some effect, or has apparently had some effect?—We do not admit that it has had any effect whatsoever on the sickness rate.

14,491. Except that the branch rate is a good deal higher?—Yes, I have spent nearly an hour in explaining why the branch rate, in our opinion, is higher. There is an entirely different class of people admitted under different conditions.

14,492. But you have also said that, apart from the trade union question, you would rather administer the branch from the centre?—That is solely because it is more economical so far as administration is concerned, and it is easier to work because the branch secretary very often is not very well qualified clerically, and mistakes arise with regard to rules and so on.

14,493. But do you think, if you did administer them centrally, that it would have no effect at all on the

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sickness rate?—I do not see how it could have much effect, if any.

14,494-5. You say that you would like to pay for ten weeks in all confinement cases. Does that include what we call now maternity benefit paid to married and unmarried people?—That is rather different, is it not.

14,496. Were you regarding the ten weeks as in addition to that?—I was.

14,497. But as including the second maternity benefit in the case of married insured women?—Yes.

14,498. And you say that if that suggestion of yours, and your other suggestion that payment of sickness benefit should be made whenever the doctor considered it good for the mother and the child, were given effect to, it would necessitate financial readjustment. Can you give us any idea what you meant by that?—I meant that obviously money is not available in the present insurance scheme.

14,499. But did you think of it as being some special arrangement affecting married women only—a special State grant for married women—or did you think of it as being distributed over the whole society, or did you think of an extra contribution paid by married women, or what was your idea of the finance of it?—My idea would be an extra State grant.

14,500. And that the present provision insisting on incapacity as a title to sickness benefit should be done away with, because you want it paid in cases where the health of the child has to be considered quite apart from the health of the mother?—Of course, it would still apply. I want it paid where the doctors are agreed that it is injurious to the mother or the child that the mother should continue working, even if it is longer than the 10 weeks—if it is a case of possible injury to the child or the mother, and it might conceivably be so sometimes from the third or fourth month of pregnancy.

14,501. You want it entirely defrayed by a State grant?—I should like it to be entirely defrayed by a State grant.

14,502. You would not think it advisable to have an extra contribution from married women?—Seeing that I am opposed to the contributory system altogether, I can hardly say that I should be in favour of an extra contribution.

14,503. You said that you thought that the best solution would be that the State should administer all the benefits, and that the societies should be abolished as regards State insurance. How do you reconcile that with your desire for self-government on the part of the societies?—I am very glad that you have asked that question, because I think that I rather misunderstood Mr. Wright, when replying to his question. When I say that I consider self-government is essential, I mean so long as we have the society system. Of course, under a State scheme, we should have democratic government, but it would not be self-government in the sense that we understand it now. All I meant was that so long as we have societies, we ought to have self-government.

14,504. What do you mean exactly by democratic government under a State scheme?—I mean that naturally the State is the people, and it would be as democratic as any government is.

14,505. You said that in some cases you considered that you had been rather harsh in your administration of the Act. Would you consider that you had refused claims in cases which might have the effect, not only of lowering the level of health of the person affected, but might actually cause expenditure to your funds in the future?—I am afraid that we may have done that in cases of pregnancy.

14,506. In a large or a small proportion of cases?—In cases where we feel that it would cause additional sickness in future, we usually stretch a point.

14,507. Do you think that your machinery really enables you to find out all such cases?—Probably it does not, and certainly we have refused claims that I should have preferred to have paid. We were very much alarmed at our sickness rate at a certain stage in the society's history, and we felt that we must refuse all claims, that we were legally entitled to refuse.

14,508. Was that partly because, owing to the imperfection of your machinery, you also felt that you were probably paying some claims which, on more adequate knowledge, you would not have paid? For instance take the ringworm case which you paid by mistake?—I have not got the facts of the ringworm case with me. We paid it on the doctor's certificate.

14,509. Would you say that the imperfection of your machinery, which makes you unduly harsh in some cases, has also led you to be lax in others, in the way of not having sufficient machinery to get people off the funds at the right moment?—I absolutely deny that imperfection of our machinery has increased our claims in any instance. I do not consider that our administrative machinery is imperfect.

14,510. You started a medical referee in Cradley Heath because you found that your claims were very heavy there, but you have not been able to have referees in the same way with regard to other districts. You have told us that you have only just accomplished it in the case of H— . I was therefore regarding medical referees and nurses as part of your machinery. You have only so far been able to apply those extra checks in your worst cases, and not throughout the whole system?—We have not been able to apply them throughout the whole system, but they have been of value to us more from the point of view of treatment, than from the point of view of declaring off. As you know, only a small proportion comparatively were declared off.

14,511. Still, if you had had that proportion declared off throughout your other branches, it would have made a good deal of difference to your claims?—I do not think that we could have had that proportion, because we have referred all our most difficult cases.

14,512. But only in connection with certain branches, and latterly in London. Your referee system is only being gradually constructed. It is not in full working order?—No, it certainly is not in full working order at the present time.

14,513. And still less the nursing?—Of course the nursing never will be in full working order. We have not got the money.

14,514. But you have found that it paid in your worst case, have you not?—Certainly both the nurse and the consultant have paid us, and if we could have nurses and consultants for all our members, I am sure that our rate of sickness would eventually be probably 25 per cent. less than it is now.

14,515. Do you look forward eventually to extending both those systems gradually to all your branches?—No, we do not. Unless we get help from the Government, it is impossible.

14,516. It does not pay sufficiently to make it possible, if introduced gradually?—We have not got the money.

14,517. I mean that if your Cradley claims have been reduced, you may be able to introduce the same system, say, in Acton?—We have a nurse at Acton, and also a doctor.

14,518. Have you found there that it has made very much difference?—It certainly helped. I do not know that it made very much difference. Cradley is the one instance where we really feel that we have made an impression.

14,519. How long have you had a nurse at Acton?—Since the end of June.

14,520. How long have you had one at Cradley?—Since about July.

14,521. I suppose that you would not consider that that was long enough to feel the full benefit yet?—I do not suppose that it is. I do not suppose that we have felt the full effect.

14,522. You said in reply to Dr. Lauriston Shaw that you could not account in any special way for the large amount of sickness among your married women. Would it be true to say that a larger proportion of married women than single women are either casual workers, such as charwomen, or out-workers?—At Cradley they are all out-workers, but apart from that, I think that only a small proportion are casual workers.

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14,523. You have not a considerable number of charwomen?—Yes, but they are not casual workers. They are employed by the London County Council, and have full employment.

14,524. You have no charwomen except those employed by the London County Council?—Only a few. We have several hundred employed by the London County Council. They are well, and constantly employed. We have 38 per cent. married women at Cradley. We have not very many at Nottingham, about 100.

14,525. Are they all out-workers?—Yes.

14,526. Would there be a larger proportion of out-workers or casual workers among your married women than among your unmarried women?—A larger proportion than in the case of single women.

14,527. You have not got any members in the potteries?—No.

14,528. Have you any branch affected by occupational diseases of any kind scheduled under the Compensation Act?—Not any branch affected by any scheduled occupational disease, but of course, we have had members. We have had a lead poisoning case just recently.

14,529. What steps did you take in that case?—We took legal steps. We had to pay two medical referees, and we won the case.

14,530. You found it both difficult and expensive?—Difficult and expensive. In fact, we doubted whether it was worth while going to the expense.

14,531. Have you got occupational, but not scheduled, diseases?—Yes.

14,532. Can you give us any figures about them?—We have Cradley Heath, for instance. I said in my evidence that a good deal of the trouble there is attributable to the fumes. There are also, of course, the laundries. Bronchial troubles are largely occupational diseases. I do not think that there is anything more specific.

14,533. You blamed the doctor in the whitlow case, which was due to poisoning contracted during employment. Do you consider that the doctor has any duty under section 11?—I do not know that he has any legal duty.

14,534. Would you not consider, apart from any notification of disease, that his duty was rather to secure to his patient a certain benefit, than run the risk of her losing benefit?—Probably that is so, but if I were a doctor, and it was brought to my notice that my patient's trouble was due to an accident, or was an occupational disease, I should feel it my duty to impress that fact upon my patient, and possibly also to notify the society.

14,535. Would you consider it more your duty to consider the interests of the society than the interests of the patient where they conflict?—I do not think that State Insurance ought to lift a burden which has already been placed upon the employers in this connection.

14,536. The doctor has no duty in the matter, either under this Act or any other Act?—I suppose that he has no legal duty, but I think that if in every case he gave a full and complete diagnosis, it would help the society to know that the trouble was due to an accident.

14,537. But if he has a sentimental duty, is it not to his patient rather than to you?—His duty certainly is to his patient. He has got no duty, as it happens, to the approved society.

14,538. Have you in any cases expelled members for wilfully withholding material information?—We have only had one case of expulsion in our society, and we have not really expelled the member yet. We have had several meetings about it, and have sent a special representative to the district to see her. Part of her offence was that she stated her age wrongly on her application form. There were a great many other things, such as taking out work, when in receipt of benefit, and so on. We have not even attempted to expel any member merely for withholding information.

14,539. I suppose in a good many cases you have got information from your reports, or from the panel

doctors, showing that there were material misstatements on the form, but you have not pursued the cases further, or tried to find out whether it was wilful?—We have tried to find that. There is another case with which we are trying to deal. A woman omitted to state on her application form that she was consumptive, and at the time she was receiving treatment for consumption. That case is still held up. We have not taken any final steps.

14,540. (Dr. Smith Whitaker.) I think possibly that there is some confusion on the question of the doctors. When you speak of the London doctors you mean the doctors employed under the London Insurance Committee?—Yes.

14,541. Your society has a doctor in the west end of London whom you employ?—Yes.

14,542. So that when you speak of the London doctors you do not include that one?—No, I mean the London Insurance Committee doctors.

14,543. Miss Wilson put questions to you as to the comparison between the work of the doctors, whom you employ, and that of the referees employed by the London Insurance Committee. I suppose that you employ your lady doctors on a definition of duty, different from the definition of duty of the referees employed by the London Insurance Committee?—Yes. I expect we do.

14,544. The London Insurance Committee employ these doctors with the single duty of ascertaining whether the persons referred to them are, or are not, entitled to sickness benefit?—Yes.

14,545. Whether they are incapacitated for work or not?—Yes.

14,546. On the other hand, when you employ your Birmingham and London doctors, you employ them on the understanding that they will advise you on something more than that. And their reports show that they do so regard the position?—Yes.

14,547. Is not that because you expect it of them?—I do not know that we particularly ask them to give us all that information. We are very glad to have it, and we think that it is helpful.

14,548. You have at any rate by your acceptance of their reports indicated that it does fall within the scope of what you want them to do?—Quite.

14,549. Whereas the London Insurance Committee doctors, if they did that sort of thing, would be going outside the scope of their employment?—Probably they would.

14,550. Does not that make it rather difficult to compare the reports of one set of doctors with the reports of the other set? The difference is really in the terms of their employment, rather than with the doctors themselves?—I did not intend to throw any blame on the London Insurance Committee doctors. I only wanted to show that the other method is in my view more helpful.

14,551. That it is not only desirable to have an opinion as to incapacity for work, but also a second opinion as to what treatment would be advisable?—Yes, in special cases.

14,552. When you state that some girls would be put in a better state of health for life if they had adequate treatment, do you mean that the present defect is with the panel doctor, or whoever treats her, that he does not give adequate treatment within the scope of his ability; or do you mean that special skill should be available?—I mean both.

14,553. Or that they do not avail themselves of treatment, when they have the opportunity?—I mean the first two.

14,554. Do you think that your members, principally the younger members, appreciate that they are entitled to medical treatment, whether they require sick pay or not, and that they ought to avail themselves of the opportunity now given them to obtain treatment?—I do not know if all of them are aware of that, but, at many of our meetings, when explaining the Act, the question was asked: "Could I get a bottle of medicine, and see a doctor, without leaving off work?" We always took great trouble to explain that, in our opinion, they could. A great many of our people, when they come on, tell us that they been

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having medical attention for a month or five weeks previously.

14,555. Do they appreciate the advice without the bottle of medicine?—A good many of them attach great importance to the bottle of medicine.

14,556. The point is, whether they appreciate the value of the advice in itself, and seek it?—We have not real evidence of that. I can imagine that some panel doctors would be rather impatient with girls who went because they were feeling rather run down, and simply wanted advice, and did not want a certificate.

14,557. Have you any evidence of doctors exhibiting impatience in these circumstances?—Of course, we have a great deal of evidence of doctors devoting very little time to each patient.

14,558. Do you think that that was confined to the early months, or does it still continue?—I think that it is less now than in the early months, but I think that it still continues. There is one doctor's case I might quote on this point. We had a member about whose benefit there had been some delay owing to some mistake in the address. Finally, the benefit was paid all in one sum. She went to the doctor, and he returned the money and said that we had paid her for longer than she had been incapacitated, although we had in our possession the sickness sheet signed by this doctor, covering the dates for which we had paid. We sent a representative to see the doctor, and he explained that he had signed the sickness sheet, and that it was his signature, but that he was a very busy man, having over 2,000 panel patients, and had no time to search members' records in order to fill in the dates. He signed the sheet inserting no dates whatever. The member had not been to him on either of the dates mentioned on the sickness sheet. He told our representative that he very often signed the sickness sheet, and left the member to fill in the date. If the doctor is so very busy that he cannot perform a very elementary duty of that kind, I think that he would be rather impatient with a girl going to him under the circumstance you mention.

14,559. Do you think that this doctor was justified in those proceedings?—No, I do not. I think that it was a most serious offence.

14,560. Did you take any action to call attention to the seriousness of it?—It only just happened at the beginning of this week. We are certainly reporting the matter. Here is another case where a girl of 18 was taken by her mother to see a doctor. The mother complained very bitterly of the insufficiency of the doctor's examination. He did not take her temperature, or feel her pulse. We have another similar case: "My complaint against the doctor is that he did not examine me. It was close upon seven o'clock when he attended me, and the room was full of people, and he had little time to attend. I was very bad, and could scarcely speak at the time." We have a number of reports of that kind. We have a feeling that the doctors have too much to do, and that they cannot give adequate time to each patient.

14,561. The reply to my original question is that the treatment is inadequate in some cases, because the doctors have too many patients to attend, and have not time to give to each patient the individual attention that is necessary?—That certainly is one cause.

14,562. You told us that at Cradley Heath you thought that it was because there were not enough doctors for the needs of the district?—Yes.

14,563. Looking to the future, do you think that it is likely to remedy itself?—I think that it will remedy itself.

14,564. Perhaps you are personally familiar with the conditions at Cradley Heath?—Yes.

14,565. How comes it that there are not enough doctors there to attend to the needs of the people?—Probably in the past the people have not been able to pay for the doctors.

14,566. Perhaps you would feel that now that there is more money available, through the Insurance Act, there might be enough money to support enough doctors?—Yes, but I think that some limit ought to

be placed upon the number of patients any one doctor attends.

14,567. Take Cradley Heath. How are you going to put a limit on? Supposing that the average for each doctor was 2,000, and supposing that in fact there were in the district 2,500 for each doctor, are you going to say that the 2,000 people for whom there is no room on the lists of the four doctors, are to go without attendance altogether?—Certainly not. There ought to be more doctors.

14,568. How are you going to get them?—That is hardly a question for me.

14,568a. I was suggesting just now that possibly the increased remuneration, through the greater amount of money available, would lead the doctors from other districts to come into that district, or perhaps more people to enter the medical profession than has been the case in recent years. Do you think that either of those things is likely?—I think so.

14,569. And therefore, to that extent, the cause, which has operated to lead to there being too few doctors in Cradley Heath in the past, will not operate in the future?—That is subject to some limit being put on the number of patients any individual doctor may have.

14,570. Do you not think it possible that some other doctor may go and start practice there on his own account, if he finds the doctors over-worked?—In Cradley Heath there are only two doctors with their two assistants, but, if there were more doctors, there certainly would be more work for them.

14,571. The substance of your evidence on this point is that these doctors have not been able to attend to their cases properly?—I think that that is so, though they deny it.

14,572. That not only causes dissatisfaction to you, through things that you observe as the result of it, but also probably to some of their patients?—Yes.

14,573. Do you not think that if another doctor went into the district a certain number of the patients would therefore go to him?—I think that it is extremely probable; in fact, almost certain.

14,574. And if you have in some parts more doctors than can comfortably earn a living, is it not possible that some of them may be tempted to go to districts that have not now enough doctors?—I suppose that that would be so.

14,575. To that extent the Insurance Act has brought to light an evil that existed?—It certainly has brought to light many evils that existed.

14,576. In this particular case it has brought to light the fact that the doctors at Cradley Heath are not enough for the needs of the district?—Yes.

14,577. And it may tend to relieve that, if not to cure it?—I hope so.

14,578. I only wanted to know to what extent you thought that this difficulty was temporary?—It suggests itself to me that it will take a long time, if we apply that to the whole of the country.

14,579. You do not suggest that we should create doctors, do you?—As you know I think that we might create a supplementary State service of consultants.

14,580. I thought you really were on the point of the inadequacy of the service, so far as the general practitioners are capable of running it?—That is one point.

14,581. I know that you think that consultants ought to be brought in, not, however, to take the place of the general practitioners, but to supplement their work?—Yes.

14,582. So that the bringing in of consultants would not really remove the Cradley Heath difficulty?—It would not remove it, but it would improve matters there, because the more difficult cases could go to the consultant.

14,583. Perhaps you will turn to question 11,407: "Now the doctor feels free to certify that the woman must in the public interest as well as in the interest of her own recovery to health regard herself as incapable of work. This results in excessive claims, but I am not prepared to say that they are unjustifiable." I am not clear as to the distinction you draw there between the doctor being free to

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certify that the woman must regard herself as incapable of work in the public interest, and in the interest of her own recovery of health. What public interest have you in mind, apart from the woman's recovery of health?—The interest of the public health. Surely it is in the interest of the community that people should be healthy. The woman may be the mother of children, or she may be the potential mother of children. I only mean it in that sense.

14,584. Would you regard that sort of consideration as outside the Insurance Act?—The people who explained the Insurance Act certainly said that it was a health measure, and would be preventive of sickness in future.

14,585. I was thinking of the doctor's duty in certifying. His duty is to certify, not that it would be in the public interest that she should be away from work, but that she is incapable of work?—I coupled with that "in the interest of her own recovery of health."

14,586. I could not appreciate the distinction. It seemed to me that the whole point there was her recovery of health, but what the doctor's certificate is concerned with is surely whether she is incapable of work?—Certain doctors in discussing this question have said to me "In the woman's own interest, and in the public interest, the woman ought not to go to work. She ought not to continue to work under these conditions." That is said especially with regard to pregnant women.

14,587. I thought that we were considering the thing apart from pregnancy. I was thinking of the doctor's duty. What he has to have in mind is her own danger?—His concern is the interest of his patient.

14,588. I want to suggest that the duty of a professional man signing a certificate is to confine himself to what is on the certificate, and what he has to say, and that he should not have ulterior objects in mind?—I do not think that I have suggested that he should have ulterior objects in mind.

14,589. I thought that you said that the doctor felt free in the public interest to certify that the woman must regard herself as incapable of work, and that that resulted in excessive claims, though you were not prepared to say that they were unjustifiable? Perhaps I have read something into that which I ought not to have done. I thought that you meant that the doctor was free, and that you regarded him as justified in taking the view that he must consider, not only whether the woman was in fact incapable of work, but also whether some general public interest would be served by his certifying her to be so?—What I mean is that a woman may not in fact be incapable of work. Very few people if they are absolutely dying are incapable of doing anything. She may not in fact be incapable of doing work, but in the interests of her health she should be so regarded.

14,590-1. It may be in the interests of the society too, may it not?—Certainly.

14,592. I can conceive of circumstances in which the society might so regard it? Is that what you have in mind?—Of course, I have that in mind also.

14,593. I am on the difficulty, however, of the doctor being encouraged to go beyond his plain duty of considering the facts of the case, and the form of the certificate he is asked to give, and confining himself to the question whether he should give that certificate?—It is like this: Can this woman work? She can, but if she does, it will cause her injury.

14,594. That is not the question on the certificate?—That is tantamount to incapacity.

14,595. He is asked whether she is incapacitated by some specific disease, or some mental or bodily disablement?—I consider that doctors are taking these other points into consideration, when they write a certificate. It is not a case of what they should, or should not do. They are doing it.

14,596. Let us come to the question of compensation certificates. The doctor has to certify, has he not, the disease from which the patient is suffering, and which is within his knowledge?—Yes.

14,597. Do you really think that it is desirable that he should go into other matters, which are not within his knowledge?—I think that he should give an adequate diagnosis. For instance, he should not say colic when he knows that it is lead colic, and he should not say neuralgia, when it is really nervous shock from a blow.

14,598. He should give the diagnosis so far as it is within his knowledge?—That is all I ask.

14,599. I thought that you asked for something more?—That is what I asked, but I do say in addition that the doctors might co-operate a little more. I think that our difficulty would be relieved if adequate and definite diagnosis were given, and if the doctor gave a proper medical diagnosis, and stated the disease with sufficient accuracy. Take the case of neuralgia. A few more words would have enabled us to see that it was a compensation case.

14,600. With regard to drugs, I think that you have made it plain in your evidence that matters stated are not facts within your immediate knowledge, but are only matters of which you have been told?—They are put forward tentatively.

14,601. And you only fear that it may be that doctors are being discouraged from prescribing expensive drugs on the ground of their expense?—I suggest that it might be interesting to get evidence on the point.

14,602. Have you any idea what those from whom you obtained your information had in mind with regard to such drugs as anti-toxin and salvarsan? Was it that these drugs might only be administered by persons who have some special skill, or that there was some obstacle put in the way of doctors, willing to administer them, obtaining them?—I think that both points were in view. I am aware, of course, that some drugs cannot be administered by the ordinary practitioner.

14,603. Not without risk to the patient?—Yes, but there are men on some panels competent and willing to do it.

14,604. Was the information you obtained that those doctors found difficulty in getting the drugs?—That was the sense in which I understood it. I was told that it had been discouraged.

14,605. In what way was it discouraged? Did you gather that the insurance committees refuse to supply these drugs when ordered?—I rather gathered that. The information that I got led me to believe that it would be interesting for the Committee to get further information, and that is the only reason that I alluded to it in my evidence.

14,606. Is there any evidence of the supply of drugs which the doctor considered necessary for his case being refused on the ground of expense?—I understand that that has occurred.

14,607. (Chairman.) So far as the Federation is concerned, it is composed of a number of trade unions?—Yes.

14,608. Those trade unions have each of them a separate financial system for trade union purposes?—Yes.

14,609. But a common system for State insurance purposes?—No, they bear their own deficiency.

14,610. You mean that they will when they are registered?—They think that they are registered now. They understand that they will bear their deficiency.

14,611. It will not be so completely separate as on the trade union side, because it is only a question of deficiencies and surpluses, whereas the trade unions, with an exception, are wholly separate?—Yes.

14,612. Is there an exception to that?—Yes, many of them are affiliated to the Federation for strike purposes.

14,613. The general Federation would bear a part of the strike-pay?—Yes.

14,614. May it not be to some extent a temptation to the official of the local union to consider the interests first of his trade union, in which the local member has a direct financial interest, as against the interests of State insurance with regard to which he has only a limited separate interest?—I can only

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[Continued.]

speak from knowledge of my own society, and that certainly does not apply to it.

14,615. I understand that you are one unit for trade union purposes also?—Yes.

14,616. You mean that there is a complete even flow all over Cradley Heath, Acton, and Halstead, and that there is no separation of funds at all for trade union purposes?—No, separation of trade union funds. They are centralised with the exception of small allowances for local expenses.

14,617. So that if a strike occurs at Halstead the expense is borne equally all over the union?—Yes.

14,618. In the case of prolonged labour to which reference was made earlier in the day, the referee certified "Confinement about seven weeks ago. Heart "and lungs are normal. Pain complained of in the "right side of the abdomen due to rupture of muscle "fibres of abdominal wall during labour." Remarks: "There is no indication of any influenza. Patient is "recovering from a prolonged labour and should very "shortly, in one or two weeks, be able to go to work." That is the certificate?—Yes.

14,619. What you complain of is not that the man certified influenza, for which there may or may not have been some cause, but that he did not certify what you considered the important thing?—Partly that, and partly that he continued to certify influenza after the date of that report.

14,620. It was put to you that she might still be suffering from influenza, which the referee might be unable to detect. Assuming that, do you think that these other matters were sufficiently material, and ought to have been before you?—Yes, I do.

14,621. I understand that you have a number of complaints with regard to the conduct of doctors in individual cases?—Yes.

14,622. I do not think that it would serve any useful purpose to go through the whole lot, but you do state that you there have evidence, which you regard as sufficient to yourself, of improper certification or carelessness?—We do.

14,623. You mean improper certification or carelessness, quite apart from any philanthropic motives on the part of doctors?—Yes.

14,624. It has been put to you once or twice that the doctor has apparently two or three duties which may possibly be conflicting. There is his duty to his patient. That you accept, do you not?—Yes.

14,625. There is the duty to the society. That, I think, you do not accept?—I have been informed that he has no duty to the society. I think that it is very unfortunate, if it is so.

14,626. Who informed you of that?—It was rather suggested in cross-examination.

14,627. There is also apparently the duty to humanity at large. Do you accept that?—Everyone has a duty to humanity at large.

14,628. I mean some special duty which flows from his professional position?—I do not suggest that.

14,629. Supposing the State has made up its mind what provision it is going to make for a woman who is ill, do you think that it is part of the doctor's duty to dictate to the State what provision it should make?—I certainly think that the doctors ought to have a say in the matter, because they are the experts.

14,630. Do you think that it is the duty, power, or privilege of the doctor to say, "I do not care what the "Act means. This woman ought to have certain "provision made for her"?—Certainly not, but the Act can be interpreted in different ways.

14,631. Supposing a doctor takes a particular view of the interpretation of the Act, he is justified in acting upon it?—That is what I suggest.

14,632. But still his duty is confined to certifying the state of facts as known to him?—Yes.

14,633. I understand you to say that the present system is bad, inasmuch as it tends to the segregation of peculiarly bad lives, or peculiarly bad occupations, in particular societies; and peculiarly good lives, or peculiarly good occupations, in particular societies; and that that is one of the principal evils at which you would like to aim by having a State machine?—Yes.

14,634. Besides that, you say that the society system tends, firstly, to excessive claims owing to mal-administration, and secondly, in other cases to harshness owing to the peculiar position in which societies are placed. Do you say those things, or which, or neither?—I certainly say the second. I am hesitating about the first. I certainly say that it leads to harshness on the part of societies.

14,635. In certain specific cases?—Yes.

14,636. Would you not also say that it had led in some cases to the payment of claims which ought not to have been paid?—Yes, I suppose it has.

14,637-8. Assuming for the sake of argument that it would remedy the first evil, and that we have got rid of that, those are the two things at which we want to aim. Is there anything else that you think would be cured by turning it over to the State?—I think there is a great deal of waste in administration and a good deal of duplication, apart from our own society, which, of course, is exceptionally bad in that respect.

14,639. That is a third head, as it were, administrative saving?—Yes.

14,640. Was there anything more that you had in your mind?—I think without getting on to the State medical service that a different and better relation could be established with the doctors.

14,641. That might be brought about by other means?—It might.

14,642. I wanted to examine those evils, and to see whether they would be touched. Perhaps I might take it that there is some bias in your mind in favour of State management in things at large?—Certainly.

14,643. So that we must discount what you say a little, as it is applied to this particular bit of work that has got to be done?—If you wish to, by all means.

14,644. We have got to reckon with the personal equation. Do you think that it would really result in checking excessive claims, if there are excessive claims? What is the situation at present? The societies are supposed to be self-governed?—They are supposed to be.

14,645. And I suppose that one of the reasons why self-government is desired is that if you govern the working of the Act yourselves, you will all look after one another?—That is the theory certainly, but I do not think that experience has justified it.

14,646. What hopes have you got for democracy if these people are not going to be able to manage their own society for themselves?—They are not allowed to manage them. In some societies you have not got a semblance of democratic control, and in others you have only the semblance of any such thing.

14,647. You would not say that the claims were excessive, or the treatment harsh, in precise ratio to the democratic control or lack of democratic control. You could pick out societies of every type which fall under your censure?—Yes.

14,648. So that democratic control has nothing to do with this particular point? Supposing you destroyed the societies altogether, and turned the administration over to the State, would you not be destroying a great deal of living spirit, which is at large, and of which you might make use?—I do not think so. I have more faith in people's public spirit than you have.

14,649. Can you look back at the history of the last two years, when we have had the services of Miss Macarthur and Mr. Appleton in carrying on this work?—Probably it would have been an advantage if you had not.

14,650. And say that we should not be throwing away a good deal?—Not necessarily. You can get that public spirit from these public-spirited people through your insurance committees, or your Public Health Authorities.

14,651. Then it is not the State, that you are thinking of, but the municipalities?—I am inclined to think that it would have to be administered by the municipality, but the State would have to have some central department up here.

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[Continued.]

14,652. The one thing that we were going to get was an equal distribution of the risk over the whole of the population?—Yes.

14,653. How are you going to get that if you administer it by the municipalities?—Of course the funds would be centralised.

14,654. You have had some experience of municipal work, have you not?—I do not claim to have had a large experience of it.

14,655. You have had enough for a person like yourself to form very good conclusions upon the subject. Have you not noticed that where expenditure and finance, in the sense of raising money, are divorced, you get profligate expenditure and bad administration. What you are proposing in effect is that the whole thing should be centralised in London?—A central department in London.

14,656. And central finance?—A central Public Health Department.

14,657. But the expenditure is to be put into the hands of locally-elected people subject to the pressure of local electors?—But the Public Health Department could come down on the local people just as the Local Government Board does to-day.

14,658. When the Local Government Board comes down on the locality, which suffers most—the rock which falls, or the rock on which it falls?—Those are all things which could be guarded against.

14,659. I am sure that you think so, but I do want you to consider that these are not mere questions of detail. They go to the root of the whole thing and are serious questions of principle. If it be, and it may be for all I know, that the societies cannot carry on, it is of the utmost importance that we should consider these things as matters of principle, and not of detail. Can you think of any means whereby the expenditure could be otherwise than local?—I think that with the expert advice such as would be at the disposal of the Government, a workable scheme could certainly be thought out, and in my opinion any possible maladministration by the municipalities could not be

worse than the methods of many of the approved societies to-day.

14,660. Whatever conclusion one arrives at with regard to this great scheme, you will agree that it is just as important not to be profligate as not to be harsh?—I quite agree.

14,661. It may sound very heartless, but would you not think it even better that people who were entitled to benefit should be kept out of it, rather than that the whole spirit of all the people should crumble away in getting it?—I cannot admit that they are alternatives. I think that if we can only remain solvent by refusing benefit, where it ought to be paid, we had better become bankrupt.

14,662. In that case we should go through the Court and start again?—You are optimistic.

14,663. We should start again on a new basis, with a new set of funds?—I feel that we must not lose sight of the fact that for the first time the great mass of the people have been compelled to make weekly payments, and that they have certain rights, and that it is most important that those rights should be safeguarded.

14,664. I agree with that, and I should think that it would be an outrage on the sense of the people if the idea got about, whether it was true or not, that they could not get their rights, and that there was not an easy tribunal through which they could get their rights; but do you not think that it is as important that they should not get more than their rights?—I do not think that I can agree that it is as important.

14,665. We cannot perhaps weigh the thing, but at any rate you would agree that it is extraordinarily important?—I think that the administration ought to be economical and just.

14,666. It is the public interest that justice should be done?—Yes.

14,667. It is not less the public interest that something more than justice should not be done. That is injustice, is it not?—It might be.

The witness resumed her seat as a member of the Committee.

TWENTIETH DAY.

Thursday, 18th December 1913.

At 3, Queen Anne's Gate, S.W.

PRESENT:

SIR CLAUD SCHUSTER (*Chairman*).

Mr. WALTER DAVIES.
Dr. ADAM FULTON.
Miss MARY MACARTHUR.
Mr. WILLIAM MOSSES.
Dr. LAURISTON SHAW.
Mr. A. C. THOMPSON.

Mr. A. H. WARREN.
Mr. A. W. WATSON.
Dr. J. SMITH WHITAKER.
Miss MONA WILSON.
Mr. WALTER P. WRIGHT.

Mr. ALEXANDER GRAY (*Secretary*).

Mr. F. W. DANIELS recalled and further examined.

14,668. (*Chairman*.) Are there any further points which you wish to lay before us before we resume your examination by members of the Committee?—There are one or two points in connection with my evidence given last week to which I wish to refer. Mr. Wright raised a point with reference to the first three days of illness, and I was not in a position to say very much

about it. Of course, the society does save on the first three days, but I do not think that it stops malingering, simply because those who go on for small ailments would probably go on for quite a number of times during the year, and the deduction is only made in the case of one sickness. That is the general view in Birmingham. Then I was asked if I could give an

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[Continued.]

analysis of sick risks. First of all, I made an analysis of the whole of the occupations of the insured women.* I have placed the number of insured persons in the first column; in the next column the number who have gone on the funds in each class; then the percentage of those who have declared on the funds of the total number in that particular class. Then I have taken in the next column the total number of weeks of sick pay in each section; then the average number of weeks of sickness per head of those sick; then the average in days of the whole membership under each section together with the total amount of sick pay disbursed. Last week I said that I thought that we had about 5,000 engaged in risky occupations. This analysis proves this. I am sorry that I could not make it more complete. We have here the number of factory hands, 11,573. More than half of those factory hands are engaged in occupations which are not more arduous than those of clerks or warehouse people—that is to say, in the jewellery and light goods trades. It is only in the heavy hardware that we have a heavy rate of sickness. It is most probable that more than half of those factory hands would not have a higher rate of sickness than these town warehouse women, but those engaged in the heavy work, the hardware work, would be probably twice as much as the figure put down here, 14 per cent. I was surprised at the printing, which comes out at 16 per cent. Charwomen come out rather higher than I anticipated; and dressmakers also come out higher than I anticipated. In other respects the figures have proved the contention which I made last week. You will notice that the amount of sick pay here differs slightly from what I gave in before—but my assistants have included a few women in Wales and Scotland, and bearing that fact in mind the figures are quite correct and agree with those which I gave in last week. I wanted to analyse the result of married women's claims, particularly in relation to pregnancy, but I have not had time to do that since last week.

14,669. (Mr. Thompson.) You referred to the composition of your local insurance committee from the point of view of the representatives of the approved societies, and no doubt there was some sort of reflection on the gentlemen who are so representing the approved societies. You said that you were getting a totally different type of person representing the approved societies, who was not having much weight on these committees?—That is so.

14,670. One does not expect them all to have the education of the doctors, with whom you subsequently contrast them, but, on the other hand, they are much stronger in numbers?—On our committee we have 36, made up of 22 representatives of friendly societies and trade unions, and 14 representatives of industrial

approved societies; and of these 36 I should say that not more than 6 are really what you would call strong men, or even well versed in the Act.

14,671. But they might be led by strong men?—That is scarcely satisfactory.

14,672. I gather that you rightly enjoy the confidence of these gentlemen because they have persuaded you to serve on the sub-committees?—That is so.

14,673. Notwithstanding that, you have not been able to make their voting power effective?—I have not, but that is not my point. While you can lead them, I think that they would be very much stronger if they were a strong body of men. They are too easily led.

14,674. Your point is that they are not all possessed of the same power of initiation?—Yes.

14,675-6. (Dr. Fulton.) From your statement it appears that 17·5 per cent. of your members have been ill?—That is so. They have gone on the funds in the three quarters.

14,677. You say that very few patients go to the doctor without being placed on the funds?—That was one of the points which I wished to raise. I have gone to great trouble to answer that question. I find that a great many have consulted the doctor but have not gone on the funds. Taking Birmingham, the figure is only about a quarter of the total. I have communicated with no fewer than 40 doctors on the subject, and I have a synopsis of the result of the correspondence which I have received from the most qualified doctors. About one-fourth of those who have consulted these doctors have gone on the funds. I have a summary of the result of the first 15 replies that came in yesterday morning. I have not been able to deal with those which came in this morning. I wrote, asking the following questions: “(1) Can you give me, if not with absolute correctness, approximately, the number of persons you placed on the funds for the first three quarters, ending October 12th? (2) How many persons during the same period applied for prescriptions on first attendance, and did not wish to declare on the funds? (3) In your opinion is this a greater or smaller number proportionately to the persons insured than before the Insurance Act? (4) Is it your opinion that if doctors were allowed to supply medicine in the first instance, it would diminish the number of claims upon the funds?” I have had a queer mixture in the replies, but almost universally they say that they have kept no records, and therefore their answers must be approximate. The excuse given is that they are in a transition stage between the book and the card registers; but the result is that just about a quarter of those who consulted the doctor have gone on the funds. There is only one exception to this, in the case of one doctor whose letter I would like to read. He says that the vast majority of

* Sickness Experience of Women Members analysed according to Occupations for the Three Quarters ending 12th October 1913.

	Number of Members.	Number ill.	Percentage ill.	Weeks' Sickness.	Average per Sick Member in Weeks.	Average per Insured Member in Days.	Total paid.
				Weeks.	Days.	£ s. d.	
Teachers	148	14	9·45	52½	3·76	2·13	19 8 9
Factory hands	11,573	2,397	20·71	13,239	5·53	6·87	4,550 10 6
Clerks	2,025	246	12·14	1,088½	4·42	3·22	363 1 0
Printing	321	85	16·31	407½	4·79	4·69	133 5 2
Domestic workers	602	75	12·45	353½	4·71	3·52	105 11 4
Shop assistants	2,277	333	14·62	2,209½	6·63	5·82	774 5 6
Charwomen	1,147	129	11·24	713½	5·53	3·79	235 19 5
Dressmakers	399	97	24·31	621½	6·4	9·34	213 0 3
Warehouse women	995	192	19·29	679½	3·53	4·09	224 10 10
Millinery	2,596	388	14·94	2,045½	5·27	4·72	685 0 5
Confectionery	242	36	14·87	233½	6·49	5·79	73 8 7
Laundry	59	9	15·25	24½	2·75	2·52	8 1 8
Voluntary contributors	219	16	7·3	129½	8·07	3·53	46 15 8
Outworkers	143	10	6·99	59½	5·93	2·48	21 2 6
	98	9	9·18	54½	6·03	3·32	17 12 1
Total	23,044	4,036	17·5	21,932½	5·43	5·71	7,471 13 8

= 1·99d. per week per member.

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[Continued.]

the insured persons, whom he has seen, came for treatment and never suggested a sick note; and that fewer have gone on the funds than under the old arrangement. He says that it would be a disastrous mistake to put the supply of medicines on the doctors, and then he makes a number of remarks which I would like to read. The other doctors all use such phrases as "a far greater percentage go on the funds," "far in excess," "much greater than before," "much heavier," "much greater," and similar phrases. But all, with the exception of one, are against the doctors supplying medicines, primarily and chiefly because it gives more trouble, and leaves less time available for the patients. One man says that going to the chemist is objectionable, and therefore he thought, because it was objectionable to go to the chemist, that it would keep them off the funds. One man's figures are very lop-sided indeed. He has only got 1,771 persons on his list. He says that he placed 1,752 persons on the funds. He goes on to say that in addition to that, he has been consulted by 100 who have not gone on the funds. That is obviously incorrect, because that would bring it up to more than the total on his list. It is probably explained by this. He objects to supplying medicines because it would increase work. Apparently he kept no records. In the main the doctors are against supplying medicines, because the people have got used to going to the chemist, and they have not time to dispense the medicines. There are a number of suggestions made by doctors. One doctor, with the largest list in Birmingham, declared that it would be well to put on the declaring-on certificate such a phrase as "will be a able to resume work on —." That is to say, when a person comes who is rather poorly but has not much the matter with him, the doctor should be able to say that he will be able to resume work in a few days' time. Nearly all the doctors want some guidance in reference to pregnancy cases, particularly in connection with the illness before and after confinement. Then just about half—I was surprised at this—recommend that societies should appoint referees. The only inference that I can draw from that is, to be quite fair, that they want to throw some of the responsibility of dealing with insured persons off their own shoulders. Then three doctors recommend the appointment of inspectors whose duty it would be to visit the surgery pretty frequently to see how things are going on. That I believe is the sun total of the results of these inquiries; but I would like to read this letter from one doctor who takes an exceptional attitude as compared with most of them: "I have on my panel list just over 1,000 names, and in reply to your questions: (1) I cannot answer for the period you name; but from October 6th to December 16th, I have put 41 on the funds, nearly all for short periods. This is 41 in 71 days. Some of these recovered rapidly, and did not ultimately trouble to claim as it was not worth while. This would reduce it to 35 in 71 days. In reply to question (2), the answer is clear; the vast majority came for treatment, and never suggested a sick note. I cannot answer your question as you frame it, but I can give you information on the point. I have just over 1,000 patients. No less than 509 different patients have consulted me during the last eight months. That means at the same rate in twelve months 760 patients out of 1,000. Of course, some of those I have seen many times, some regularly during the eight months. (3) I think in my practice there are less on the funds since the Insurance Act came in than before—I should have said that this man lives in a suburban area, and not in the crowded districts. The reason of this is, in my opinion, that we have no dispensary for these patients, and they are more free to go thoroughly into the cases. (4) I think no more disastrous mistake in the interests of the Act than dispensing by medical men could be made for these reasons: (a) It would diminish the quality of medical work, as it would allow less time for examining the patients. (b) The chemist, having the work to himself, ought to be able to do it more efficiently. (c) If the time of a medical man is taken up by dispensing, he has less time to examine

"the patients, and recognise any malingering, and in such a way the number of sick claims would be much further increased." Then he goes on to say: "On the general question of malingering I think there is prevalent a great misunderstanding. There is no doubt an appreciable amount, but the reason of the large number of patients on sick funds is to be found in the fact that the people now insured, who were previously not in sick societies, belong to a class of the population in which the conditions of life must favour a high sickness incidence. I am further of opinion that much sickness among the girls of the factory class and among domestic servants, is due to lack of dental treatment, and to the lack of their knowledge of the elements of the laws of health. I do not think there will be any very marked decrease in sickness claims by any system of espionage, but rather by dental treatment, and by increase of education in the laws of health, and by rigid enforcement of all Public Health Acts and the requisition of more stringent powers by the municipalities on housing and other questions. At the same time I am of opinion that the medical service would have been much improved, if it were possible to limit the number of patients on a doctor's panel (if in general practice) to 2,000, and this was the opinion of the Birmingham Medical Committee. The advantages of such a limitation are obvious both to the public and the profession. I believe that a main reason why I have had so few sick claims is that I have attached much importance to the condition of the patient's teeth. I have made it a routine practice to keep a note of each patient's condition in this respect, and have found that nearly all needed dental treatment, and have arranged for this in all cases if the patient would consent. This I would consider is the best work I have done under the Insurance Act. I am glad to report, however, that the number of consultations is diminishing, and this is the direct result, I believe, of attending to the teeth of the patients. I now hardly ever see a case of dyspepsia, and the cases of anaemia have enormously diminished."

14,678. (*Mr. Wright.*) Can you give us any indication of what proportion on his list of patients is made up of men, and what proportion consists of women?—No. It does not say that, but it is very largely domestic servants, and persons engaged in factories just on the fringe of Birmingham in the Handsworth district. This man happens to be an enthusiast. If every doctor took up the same attitude with reference to the Act, there would be no cause for grumbling at all.

14,679. (*Dr. Fulton.*) I suppose then that you are disposed to modify your statement that certificates are thrown in the face of patients?—Not in the slightest. This has rather increased my feeling. I think, however, that they are more carefully given to-day.

14,680. But from the percentage which you have given, am I not correct? Take your own society. You have 17·5 per cent. declaring on the funds in three quarters, which would mean about 23 per cent. at the end of the year, if that proportion is kept up?—It is a strange thing that all the trouble with these doctors occurs in the case of doctors who have large lists. We have 40 doctors in Birmingham who have over 2,000. We have one with 3,500, and the majority of the doctors of whom we complain are those with the large lists.

14,681. On your own figures with 17·5 per cent. of your members going on the funds in three quarters, the figure for the whole year would be about 23 per cent.?—Yes.

14,682. Then you have got the evidence of a careful doctor evidently that 75 per cent. of his panel would have consulted him?—Yes, but it is quite exceptional. Perhaps I ought not, in view of my statement before, to have emphasised what he said, but I did so to show what I thought would bring about a different state of affairs. I should not take the statement of that doctor as a general instance, and I

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could show the answers given by the doctors last week in verification of that.

14,683. Are your figures based on those who have kept accurate records, or on their estimates?—That is the trouble. All of them say that they have not kept accurate records.

14,684. Of the numbers who have come to them to consult them?—Yes; and not one of them has kept an accurate record. They give approximate figures.

14,685. They are supposed to keep accurate records of the patients on their panel lists who consult them. Of course, they have not got to keep accurate records of those whom they put on the funds. I was wondering in which case they have not kept records?—In both cases they say they have not kept accurate records. It is only guess work in every case.

14,686. Have any of your members been attending the medical institute in Birmingham?—No. I have no knowledge of the medical institute in its working.

14,687. This gentleman who says that he will have had 75 per cent. of his patients consulting him by the end of the year surely cannot have thrown certificates at all his patients?—No. That is an exceptional case.

14,688. He was a man with only a thousand on his list?—Yes.

14,689. You made a complaint about patients not being examined. What proportion of your sick are women?—The men are far more favourable, but of course most of them have been in friendly societies before. It is the women who are so troublesome.

14,690. What do you think is the effect produced by having been in a friendly society before?—They know the principles underlying the friendly societies, while these people who have just been brought into insurance do not. They do not appreciate what a friendly society is.

14,691. What was your experience of women before the Act came into force?—The claims were very low, but we had a special class of women who were very largely teachers.

14,692. What fee used you to pay the doctors in the old section for male members?—4s.

14,693. What used you to pay for female members?—6s.

14,694. Why?—Because the doctors demanded it at that time, and we gave it. I have never been in favour of cutting down doctors.

14,695. Why do they want more for women than for men?—Because they assumed that they would be more troublesome, but ours did not happen to be so.

14,696. Do you mean more troublesome in the way of drawing money?—No, more troublesome in wanting the doctor.

14,697. You cannot speak of how they troubled the doctor?—I do not think that they did trouble the doctor, but the doctor took the 2s. extra on the assumption that he would be troubled.

14,698. Did you ever try to get the doctors to reduce that fee?—At first we only paid the 4s., but they wanted more.

14,699. Do you think from your own experience of working with the women, that they were justified in asking for more?—Up to the commencement of this Act everyone of the doctors on my list—and there were over a hundred—was my personal friend, and took as great an interest in this society as I do myself. Consequently in anything which they suggested I felt that their claim was a *bonâ fide* claim, and one which should be met.

14,700. Had you any difficulty in getting doctors on those terms outside Birmingham?—None whatever: In Birmingham a large number of insured persons were treated by the doctors for 2s. 3d. and 2s. 6d. There were tens of thousands in the Medical Aid Society. I do not know what sort of people they were of course.

14,701. You do not think that cheap medical attendance is good?—I have no faith in cheapness of any kind.

14,702. To what do you attribute the alleged want of examination of which you complain in Birmingham?—I will give you the answer of the doctors themselves. I have discussed the matter with a great many of them.

They say that they really have not the time, when the people come in queues, to examine them. They like to examine them subsequently, and therefore they give them notes on application.

14,703. Would they have more time on another occasion?—That I cannot say. A second reason given is that they are afraid that members will transfer to other doctors. It always appeared to me, that if the doctors are a strong trade union, they ought to be able to prevent that themselves. It is a fact that they are afraid of losing patients, and consequently they are very much more lenient.

14,704. Were they busy before the Act came into force?—Not to anything like the same extent as they are now.

14,705. How do you account for the difference?—You have brought into insurance millions of people who previously were not insured.

14,706. Do you think that in time this trouble will right itself?—I think that the first thing that we want to insist upon is that both the doctors and the insured people should be educated in the principles of the Act. I have attended 30 or 40 meetings within the last two months, and I have found an appalling amount of ignorance, even among our own members as to why they should be careful under the Act.

14,707. Do you not feel that the doctors can deal with the patients more quickly now that they have not to make up the medicines for them?—I quite agree.

14,708. Have you got queues waiting outside the doctors' places in Birmingham?—I am told so, every night.

14,709. Is the congestion partly due to the want of waiting-room accommodation, and partly to the want of consulting-room accommodation?—Certainly.

14,710. The doctors are getting a larger proportion of women who want to consult them now?—Yes. I think they go for mere trivialities.

14,711. Do you know that the examination of a woman takes much longer than the examination of a man?—I should assume so.

14,712. Do you realise that if a large number of women come into a surgery it does take the doctor longer?—I quite appreciate that, but if he has got more patients than he can manage, he ought not to have them, or on the other hand he should extend his consultation hours.

14,713. Or he should extend his consultation premises, or get some assistance in his work?—Yes.

14,714. Of course you realise that there may be some difficulty even in getting the additional housing accommodation?—Yes. It is wonderful how the Act has worked so smoothly as it has. I admit all the difficulties.

14,715. What proportion of the members who go on the fund are ill in bed?—I cannot tell you. I should think only a small fraction are actually ill in bed.

14,716. You realise that the greater portion of the doctor's day is taken up in examining these people at their own homes, but your complaint really is that large numbers of women now go to the doctors with very little wrong with them, and that the doctors have not time to examine them?—I only give you what they say.

14,717. Is that a very general explanation with them?—It is the almost invariable answer that is given.

14,718. Personally I do not see why a doctor is more likely to have time on Tuesday to finish up his diagnosis than on Monday?—I assume that they meant that they would see the patient out of consultation hours.

14,719. Do you agree with the suggestion of one of your doctors that a time limit should be put on the first certificate?—I think that it would be helpful, though personally I voted against the doctor saying when a person would be well, because I do not think that a doctor can tell when a person will be well.

14,720. Is it not his idea that the certificate of incapacity should be revised within four or five days?—No, but simply that in the case of slight ailments, if he could state that those persons would be ready to

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go back in three or four days, it would help them off the fund.

14,721. That surely meant that if they wanted to continue on the fund, they would have to go to him again?—Yes.

14,722. In such cases as a bad bilious attack, or pains which were the result of indiscretions of diet, the doctor might feel compelled on Monday to say that a person was incapable of work, but probably might think that by Thursday the person would be able to do his work if his treatment was worth anything and his advice was attended to?—I grant that there is a great deal of force in what you say, but it is a very dangerous practice as a general rule.

14,723. Do you mean that it might be unfair to the insured person?—Yes, and to societies, in both ways.

14,724. In what way would it injure the societies?—They would very often extend the time over the period when they should be off the funds. For instance, a person might have a headache or a little dyspepsia and be able to go to work the next day, and this arrangement might make the person prolong the period off work.

14,725. There would be the ordinary rule under the Act?—That only occurs once a year, and the person need not declare on the funds to be credited with the first three days.

14,726. The numbers of people who come on a second time in the year are comparatively small?—I cannot say. I should think they were.

14,727. But would you not favour the doctor putting any limit on the certificate?—I should in cases of small illnesses be rather inclined to do so, but not as a general rule.

14,728-9. You appreciate the difficulty. The doctor cannot tell how long an illness may last. All he could say is that possibly the patient might be well enough to risk going to work in three or four days?—Yes.

14,730. You think the larger proportion of the people going to doctors are women?—Yes, a larger proportion than men.

14,731. Are you getting a larger proportion of illness among your women members than among your male members now?—I am sorry that I have not got the analysis for the first three quarters. The duration of the sickness was a little over a week longer for women than it was for men. We have quite double the number of men that we have of women, but the number of cases on the fund is almost equal in the case of both men and women.

14,732. So that means that you have a much larger proportion of women on the funds than of men?—Yes.

14,733. Do you feel free to say whether those claims are justifiable or not?—It is an extremely difficult thing to answer that. There is a large number of persons brought under this Act who previously were bordering on starvation, and were always forced to work, and whom the friendly societies would not have had. I have no doubt that that has caused the increase to a very great extent, but bear in mind that that in itself ought to be a reason why the doctors and the societies should look after the patients a great deal more than they have done in the past.

14,734. Do you mean look after their health?—There should be greater care exercised to see that there is no malingering, and that there are no unjust claims, while at the same time they do not wrong anyone.

14,735. Do you think that there are any unjust claims by the men in your society?—I think not many, except that they go on too easily. I do not think that there is what you would call downright malingering to any great extent.

14,736. The people who get certificates of illness would have something wrong with them? They would not be in perfect health?—Yes.

14,737. Your point is that they would be able to do some work?—That is so.

14,738. Do you think that the doctors are more strict in dealing with insured men than in dealing with insured women?—The doctors are in a fix with

regard to women. They do not know what to do. They err on the side of leniency.

14,739. In what way do they not know what to do? What do they tell you is the difficulty?—Take the question of married women who are pregnant; half the doctors put them on immediately they are pregnant, as they are not fit for the heavy work which they have to do. They want some direction on that point. Another matter about which doctors want to know is whether they ought to put on the fund persons who are only partially ill; that is to say, who are able to attend to household work, but not able to attend to their ordinary avocation.

14,740. What would you suggest to meet that difficulty? Would you suggest that there should be "partially" or "totally incapable of work" put on the certificate?—I do not think that such persons ought to be entitled to the full benefits of the Act, when they are only partially ill. It is simply that their work is extremely heavy, and they are a little below par, and cannot do that work; and yet they can do their own household work, or any other work.

14,741. Would you be disposed to adopt the practice of accident insurance companies, and have two scales of payment?—I have not considered that, but it would be a way out.

14,742. Do you not suggest that?—I suppose that there is a large number of people with whom the doctors do not know how to deal, because they do not know whether these persons should be really on the funds or not.

14,743. That difficulty arises where an insured person very often is capable of light work?—Yes.

14,744. How do you deal with such cases?—We send them a letter stating what the doctor says. We still continue paying them, but we simply suggest that they should get back to work as speedily as possible.

14,745. Both you and the doctors are in some difficulty with regard to this question?—No. I claim that the doctors do not exercise the care that I do.

14,746. Is their difficulty not the same?—The difficulty is the same in a lesser degree.

14,747. You say that a dozen or twenty doctors are doing all the mischief, but you try to deal with them through the local committee?—Yes, and, in fairness to the doctors generally, I should say that the Medical Association are doing the best they can to make it easy for us. They want to stop it. Of course the trouble is that though the patients can appeal to the medical service sub-committee, they do not care for the loss of time, and the great trouble, involved in getting the worst cases before that committee.

14,748. Could not the meetings be arranged for the evening?—They are, but these cases are kept about too long. Cases are kept for a couple of months, which ought to be dealt with in a couple of days.

14,749. The local medical committee does not throw any difficulty in the way?—No, it is trying to help us. My point is simply this: The medical service sub-committee have very few cases before them, because of the difficulty of getting complaints heard, as the people have to lose time, and people are kept about so long, that they do not trouble about the matter.

14,750. Why should they lose time?—A great many of the claims are raised by men after they have gone back to work.

14,751. Why cannot they prosecute their claims in the evening?—The doctors will not meet in the evening. When doctors sit, they like the afternoon because they cannot spare the evening.

14,752. Surely it could be arranged?—I do not think so. You have got three medical men and three representatives of approved societies. They must always meet in the afternoon to get the doctors. That is the trouble as we find it.

14,753. You say that you prefer the panel system to a system of State service; on what ground?—I think that the patient has a wider selection of doctor. In the next place, if the doctors carry out the work, as they did previously, there is more humanity shown by the doctors than I think they would show under a State medical service.

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14,754. You think that the treatment is more sympathetic?—Yes.

14,755. Do you attach much importance to that?—I have in the past.

14,756. Do you think that a great many of the difficulties could be got over, if the number of patients which the panel doctors have were limited, and if suitable accommodation for examining the patients were provided?—Yes.

14,757. There is a difficulty there, especially in large towns like Birmingham?—I appreciate that.

14,758. Would the difficulty be got over by the insurance committee providing central places in the suburbs?—No, they would have to come in two or three miles to the centre.

14,759. Why should there not be various places in the outskirts?—The insurance committee tell us that there is no money for that.

14,760. Of course, you hardly expect the doctor to find a large place to examine people?—If a man has a practice handed over to him—and that is what it comes to with a great many of these doctors—the goodwill of that is worth something, and he ought to speculate in building proper premises.

14,761. Is not that very difficult?—I do not think so.

14,762. Would there not be many cases in which the doctor would have to buy the premises?—That is not an insuperable difficulty in Birmingham.

14,763-4. But he would have to buy at an enhanced price; if it was known that the doctor wanted premises badly, he would not get them at their market value?—The doctor would not say that he wanted them for himself. He would get a second person to do his business.

14,765. (*Dr. Lauriston Shaw.*) You say in your evidence that doctors are too friendly with their patients. Do you mean that it is a bad thing for the doctor and the patient to be friends together?—What I meant to say was that the doctors do not want to lose patients, and that they want to keep on good terms with them.

14,766-7. From the point of view of the successful treatment of the patient, it is most desirable that the doctors should be as friendly as possible?—Certainly, but not on such good terms as that they will give notes, when they ought not to give them.

14,768. Do you feel that this friendliness may hamper the doctor sometimes?—I do not like that word friendly. It is a very unfortunate word. I think that the treatment to-day is not quite so friendly as under the old friendly society system.

14,769. There is some friction between the doctors and their patients merely because they are connected with this Insurance Act? I think you said that after careful inquiries you have only heard of a few cases within the last nine months where doctors have refused to give a note to declare on the funds?—Yes.

14,770. Do you think that you would naturally hear of those cases?—Yes, I heard of those two, because they complained that a doctor would not let them go on the fund.

14,771. Surely there would be a great many instances in which the doctor would advise the patient not to go on the fund, and there would be no complaint?—I do not deprecate their action; I think that the names of those men ought to be written up in a prominent place as a commendation.

14,772. If they deserve such commendation, may it not be possible that there are a great many other doctors, of whom you have not heard, who dissuade patients from going on?—Certainly.

14,773. When a patient has some illness which might possibly be the result of his own misconduct, you would think that the doctor should notify this in some way?—Yes, when a patient is suffering from syphilis or gonorrhoea, that ought to be stated. I do not think that it is part of the doctor's business to say whether it arises from misconduct or not. That is for the society to find out. But I say that it is absolutely wrong for a doctor to give a certificate that a man is suffering from boils, when he has been suffering from syphilis in an acute form.

14,774. Do you not think that there is some danger that, if diseases which might possibly be due to misconduct were compulsorily notifiable, the insured person instead of going to a doctor who would give him the best treatment would be liable to go to a quack, or someone who would not have to notify him?—That is a department I know very little about.

14,775. As a layman, do you not think that there is a possibility that by a system of notification of that sort of disease which a man would not desire to be known, undesirable concealments would be encouraged?—We would not publish it upon the house-tops, but I think that the society should be advised.

14,776. You say here that a doctor said to you "Once I took exceptions to two of my patients and "they have immediately applied for a transfer"?—Yes.

14,777. Would they under the system adopted by the doctors in Birmingham be able to get a transfer immediately?—They can only transfer at the end of the year. It is just at the transfer time now.

14,778-9. In order to get a transfer, except at the end of the year, the patient would have to get the consent of the doctor, and the consent of another doctor to take him on?—Yes.

14,780. Therefore, if the doctors banded themselves together to consider the reason why the patient desired a transfer, and refused it where the reason was not desirable, they might prevent it?—We have a large society close to us. If, in seeking to leave that society, the insured person was unreasonable because he had violated the rules and incurred some penalty, we would not take that insured person at any price. All the societies in Birmingham have that arrangement.

14,781. Do you think that such a spirit as that might be in the minds of the doctors?—Certainly.

14,782-3. I suppose that you know that it is a common practice of doctors to refuse patients from other doctors who had left them in unsatisfactory circumstances?—In private practice, but not under this Act.

14,784. The Act came in rather in a rush, and there were difficult questions of principle to be settled, but you say that you have had great success as a result of instructing your own insured members as to the application of the Act?—Certainly.

14,785. Do you think it likely that similar measures might be applied with regard to the doctors?—I think so.

14,786. Do you think it likely that a lessening of sickness benefit might result from an extension of the knowledge of the principles of health?—Certainly. It might be more costly for the moment, but ultimately it would be a very wise thing indeed.

14,787. Do you think that in order to lessen the sickness claims you might encourage the insurance committee to take advantage of the opportunities they have to institute lectures on health?—Yes, I should favour that.

14,788. One of the greatest ways of lessening sickness claims is to improve the individual health?—That is so.

14,789. (*Mr. Mosses.*) You have 1,500 women in your parent society?—Yes.

14,790. And 23,044 in the approved section?—We have rather more than 23,000. They are those entitled to benefits during the last three quarters.

14,791. So you have roughly 22,000 women in your approved section who are not in the parent society?—The bulk of the 1,500 would not be in the approved section.

14,792. How did you get these approved members?—I took an active part in discussing the question before big audiences in Birmingham. They simply came in in shoals. We never dreamt of getting one-seventh of the members whom we have.

14,793. It was owing to the lectures you delivered, the speeches you made, and the part you took with regard to the preliminary stages of the Act, that you got these members?—That is so.

14,794. I take it that your administration on the approved side is altogether independent of the parent section?—Yes.

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14,795. How is your administrative body elected?—From the insured persons. The rules specify that in the first place the executive of the parent society should appoint the committee of these two State sections. We have just had our first annual meetings of the approved sections, and they have confirmed what has been done.

14,796. Are there any women connected with the administration of the approved section?—Yes, there is a distinct women's committee; the men have nothing to do with the working of that. There are two distinct sections, the men's section with about 47,000 men, and the women's section with about 23,000 women. They are two distinct sections administered by two separate committees, and the women are quite distinct from the men.

14,797. The officers of the women's section would be women, who would be appointed by women?—That is so.

14,798-9. You are secretary of both sections?—Yes.

14,800. Have you any data as to the date on which your members declare off benefit?—No, they declare off on all days of the week.

14,801. Do you find that a greater number declare off on Saturday?—Possibly. I cannot answer definitely. I cannot give you any exact figures.

14,802. You have no complaint of excessive sickness of the women? According to this tabulated statement which you have produced this morning you are paying 1.39d. per week per member?—For sickness benefit, not including maternity benefit.

14,803. So the probability is that you are certainly in excess of the actuarial estimate of your liabilities?—Twopence and one-sixteenth of a penny for the two benefits is the exact figure.

14,804. (*Mr. Davies.*) In the figures which you have placed before us this morning, comparing factory hands, printers, charwomen, and dressmakers, you set out these percentages. Have you taken into consideration the difference in the numbers upon which the percentage is worked? For instance, you set out a percentage of 20.1 for factory hands, and you have 11,572 of these members. For charwomen the percentage is 24.31 and the number is only 399?—There may be something in that point, I grant.

14,805. Do you think that the experience for charwomen would have been as heavy if there had been the same number of them as there is of factory hands?—I think so. I think that that is a general experience. I do not set out those experiences as being what the Act will show, say, during three years.

14,806. You do not suggest that the experience referred to is the experience which you are going to get, but it is the experience of what you have passed through?—That is so. You will remember that of these factory hands, there are not quite half that are engaged in the heavy trades.

14,807. I think that you have a general complaint against the doctors?—Yes, recently it is less than formerly.

14,808. You contend that the officials know very little of the administration of medical benefits. Would you elucidate that a little?—Under the old system, if you had a hundred members, you went and arranged with the doctors to attend these members, and that doctor was in a very different position towards the society and the members from that in which the doctors are now.

14,809. May that be because the doctors got into touch with the officials of the society and discussed points of difference?—Very often, and in my own case most of our doctors were my own personal friends, or became such.

14,810. Are you aware of any effort being made under the new system in Birmingham, by which the same principle has been brought into existence?—No, I know of no effort.

14,811. You complain of doctors putting misrepresentation of diseases upon certificates, and their looseness in giving certificates?—Yes.

14,812. Do you think that those difficulties could have been eliminated very largely, if you had decided

to set up some method by which you could confer with the doctors as frequently, and as easily as you did before?—Yes, that would have helped, no doubt. My own feeling is that unless you bring the doctors more closely into touch with the society, and until our societies have, I will not say control, over the doctors, you will never get back to the old system or the same kind of feeling.

14,813. If you say to a doctor "You must give us a certificate certifying misconduct" does the doctor understand what "misconduct" means?—I should think so.

14,814. Have you discussed it with them at all?—With a few, but not with very many. Some of the doctors, whom I have met, say that they will not give certificates for diseases of that description.

14,815. That is not my point. There might be a difficulty, owing to the putting of two constructions upon the word "misconduct," and if there is any doubt as to the meaning of the word, it might possibly be explained by an interview?—I agree with that.

14,816. Having that in view do you think that all the doctors have understood what you have required from them in asking for a certificate of misconduct?—I have not asked them.

14,817. Suppose that you get a meeting of doctors and friendly society members, and a charge is made that a doctor was not giving certificates for misconduct, would you consider it an unreasonable assumption for the doctor to get up and say, "I am not going to report a person because he may get a little more drink than he ought to get"?—I think that that is often done.

14,818. Do you think that the generality of doctors are experiencing those cases?—What the society expects them to do, I think, is that if a person is suffering from misconduct, the doctor should state the actual disease. The doctors are not the judges of misconduct.

14,819. Is there not a general misunderstanding as to misconduct between the societies and the doctors, which leads them to take up a position that they would not have taken up, if they had known what it meant?—There may be something in that contention.

14,820. And if the doctors had been called together to discuss these misunderstandings with the friendly societies, do you think that much of what has been complained of would have been wiped out?—I quite agree. All the complaints which I have had against the doctors I have made personally, and I have found that they never occurred again.

14,821. Having that in mind, and the complaints which you have made against the character of the representatives of approved societies in your answer to question 13,947, do you not think now that it would have been wise to have got them together, and if it had been done, that it would have saved all this friction?—It would have helped, no doubt. I did not mean any attack on these people at all. Many of them are doing extremely useful work, but what I wish to point out is that they are no match for the doctors and the other section of the committee. I am only speaking of the committees I know. I am speaking of Birmingham, which is supposed to be a good committee, and two or three of the surrounding districts.

14,822. Would it be fair to ask whether something of the inefficiency which you suggest with regard to these men arises from the fact that they have not the opportunity to serve on these committees, and that if one man is, or a few men are, on every committee, you get a few of those composing the committee, and the others are excluded?—No, I should not think that it arose from that. The ordinary man who is a representative of the approved society is an ordinary working man, and his outlook is very limited compared with that of the other section of the committee, but I would be the last in the world to say a word derogatory of these men.

14,823. You say that you were only speaking of Birmingham?—I know half-a-dozen committees upon which we have representatives, and I am sure that they are exactly the same, and that the representatives of the approved societies are comparatively poor men

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in the matter of business experience, and no match for the rest of the committee. I do not want you to run away with the impression that I am traducing them at all.

14,824. No, but I was somewhat shocked at your statement, and frankly, I do not accept it, and that is why I asked whether it applied to Birmingham?—I could give you quite readily half-a-dozen committees to which it would apply.

14,825. Then, coming to the question of the doctors, is it considered a fact that the doctors do lose patients because they take them off the funds?—They say so, and they are afraid of losing them, at any rate.

14,826-7. Have you ever made overtures to the doctors to find a remedy for that?—I have been working for the last six months trying to get the doctors into line. We have got the local medical association with us. We wish to discover some way of preventing that.

14,828. If you had a meeting of doctors with the friendly society workers, and the approved society workers, do you not think that you could find a remedy that would do away with this?—I think that it would do away with a great deal of this.

14,829. Would you say that the doctors should arrange, when a patient came, to ask if he had been to another doctor, and, if he had been, to refuse to take him, and send him back to the doctor with whom he had been dealing?—That is a matter that might be settled among themselves. I think that it would be a good thing for the societies if that were done.

14,830. With regard to sick visiting, I notice that you say that your people are visited twice a week, and that visiting by fellow members is not so effective as it should be. Can you tell us why?—In the first place, because they are not sufficiently trained, and secondly, because the members usually know when to expect these visitors. I daresay you will find that it is the case with all societies that inexperienced visitors will simply state that a member is a little better, or a little worse, or what not. That does not give any help at all. The first report of a visitor on a sick member should be a detailed statement of exactly how that sick person stands; the subsequent reports, however brief they may be, are then intelligible, but they are not, without that detailed statement.

14,831. Do your members meet in branches?—Yes.

14,832. Are the reports by the sick visitor presented to the branches, or are they sent direct to you?—There is a report given every month to the district committee, but all the reports are sent on immediately to us every week.

14,833. The people to whom these reports are presented are people who live in the immediate district, and who know the persons who are sick?—That is so.

14,834. You do not value them as a real check upon sickness?—I did not mean you to infer that, but they are not as definite as they might be. In Birmingham and the surrounding districts, where we have a large number of members, we have adopted special visitors to get the information which we lack in regard to ordinary visiting.

14,835. (Mr. Watson.) I should like to be quite satisfied in regard to a phrase you used in reply to Dr. Fulton. You said that a member need not declare on the funds to be credited for the first few days; do you mind explaining that?—Under our rule a person has immediately to report when he is ill, whether he comes on the funds or not. I think the possibility might arise, if a person reported that he was ill and did not declare on the funds, that that period of illness would count; but we have had no such case.

14,836. But you might have a case at any time?—That is the reason why I mentioned it.

14,837. If a member is ill for one, two, or three days, and has not been previously ill in that 12 months, I take it that that short period of one, two, or three days does not count as part of the first three days in respect of subsequent sickness?—That is so.

14,838. Section 8 (5) of the Act provides for the linking-up of one sickness to another, and begins, "Where a person has been in receipt of sickness

benefit"?—I have not had that clause brought into operation at all in any single case.

14,839. You are satisfied that you have had no sickness claims where you have paid sickness benefit from the first day because the man had been sick previously?—We have not had that at all as yet.

14,840-1. I take it that we are in agreement, and that you would not take the qualifying three days as being made up by those occasional days of a sickness which gave rise to no claim?—I meant to raise that point. Where a person is ill, and gives us notice, those days cannot count towards illness, if the illness immediately succeeds. I incidentally mentioned it this morning, and intended to carry it further. It is a very important point, although it is not likely to occur very often.

14,842. You told us that your society exercised great care in admitting members to insurance?—That is so.

14,843. You rejected straight off, on the application forms, 1,230 cases?—That is so.

14,844. And retained 4,000 or 5,000 for medical examination?—Yes.

14,845. The mere fact that you asked for medical examination got rid of a large number of those cases?—Yes.

14,846. Do you consider that this method has had a great effect on the volume of your claims?—Yes.

14,847. I am certainly not going to criticise the society for doing something which was entirely within its right, but do you not think that the very great vigilance you exercised is having the effect of bringing your claims under the general average?—Certainly that was the object.

14,848. Supposing every society had exercised the great care that you did, would not a very large number of persons have found themselves without insurance?—Probably, but this was my position. I initiated this. We have to make this pay; we have to make it financially sound, and the only way to do so is to exercise some care in the selection of members. If there is a loss on valuation, the members have to make it up, and if there is a surplus, it goes to additional benefits.

14,849. You know you will be credited with reserve values based on average lives?—Certainly.

14,850. Do you think that it is quite fair that one society, by its great strictness in admitting members, should have additional benefits, while the persons they have refused would have to get into other societies, and by their heavy claims reduce the benefits of the members of those societies, or become deposit contributors?—I have stated just what we did.

14,851. In answer to the Chairman last week, you said that you were quite content to have the cost of medical referees charged to the society if the Commissioners allowed you to charge it to the sick account, and not to the administration account. Charging it to the administration account saves the sick fund?—If I remember rightly, that would be correct. I said that in my case it did not matter how the medical referees' fees were charged, as ours was a large society, but it does matter in the case of the small societies; that is the way I would put it.

14,852. You did say that your management fund would stand it, but it would not in the case of the small societies?—That is so.

14,853. Is that not an argument against small societies?—I am against small societies altogether, because you cannot get any basis of averages from them.

14,854. You do not suggest that the cost of the medical referee is an appropriate item to charge to the sick account?—Technically, no; but, as a matter of fact, from the point of view of working an organisation, the ordinary official says "yes," because you are reducing thereby the amount of claims on the sickness fund.

14,855. The ordinary official does not always see the thing correctly?—That is quite right.

14,856. Is it not a fact that the claims which the sick fund is saved from having to meet are claims for which no provision has been made?—I quite appreciate your argument, and have advanced it many times

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myself. The majority of friendly societies claim that the cost of reducing the amount of sick pay ought to be chargeable to that fund, for the reason that the amount they have already allowed for management is inadequate. That is an argument I have to face very frequently at nearly every meeting of representatives of approved societies I attend.

14,857. But they mix up two different questions there?—I know they do. They know that they have to charge the referees' fees to the administration account, but then the administration account will not stand the drain upon it.

14,858. They might say the same thing about sick visiting?—Certainly. Sick visiting has always been recognised as a charge upon the management fund—that is the only difference.

14,859. I do not know whether you can give us a more detailed statement of your reserve value cards?—As a matter of fact I had not touched that yet. We have had the auditors in the office for the last four or five months, and I have not got rid of them yet. Immediately the New Year is in, they will be written up.

14,860. As to the 17·5 per cent. who have claimed, is that the percentage of claims or the percentage of members?—The percentage of members. One member only counts as one, although he appears several times. I am afraid the average duration of sickness is perhaps misleading in that particular. If a person has been ill three times, we have put down the total length of the three illnesses.

14,861. You said in reply to a member of the Committee that you would like the competition between societies to be reduced?—Certainly.

14,862. Have you any definite suggestion to make as to how that can be done?—I think the present arrangements are about as fair as they can be. During the first three or four quarters they were very bad indeed. I have not a quarter of my claims against other societies settled up, whereas I settle all the claims on me practically by return of post.

14,863. You mean with regard to transfers?—Yes. We allowed members to go as they wished. I think that there should be some limit upon that, particularly in view of the valuation at the end of the three years.

14,864. Do you suggest that the competition of societies creates a difficulty in the administration of sickness benefits?—It did seriously in the first two or three quarters; during the last two quarters it has not been so bad. A great deal of the heavy claims were traceable to that cause.

14,865. Other societies were touting for business, and were advertising the freedom with which they paid sickness benefit?—Yes.

14,866. You think that that feature has to a great extent disappeared?—Yes, during the last two quarters.

14,867. Do you think that there is a greater sense of responsibility?—Yes. Now you have to get the consent of the old society to the transfer. I claim that it should not be unreasonably withheld.

14,868. It cannot be unreasonably withheld?—That is so. I do not think that you could have a better system than that which has been in operation during the last two quarters.

14,869. You do not suggest any radical change in the organisations through which people are insured under national insurance?—It is rather too early to talk about radical changes of the organisation. My own view of this Act is not a pessimistic one. I think that it has gone through very wonderfully. We have a centre at Birmingham which was a hotbed of opposition to it, but it has worked wonderfully well. If it goes on for another nine months, I think the working of the Act will be in a very different position then.

14,870. You have some very important suggestions to make with respect to pregnancy cases. I see that your old society, on its private side, has a rule that the lying-in month is not considered sickness, nor any illness arising from pregnancy, and members are not entitled to sick pay for such times. Is the actual practice of the parent society to withhold sickness benefit during the whole period of pregnancy?—Not if there is a distinct illness independent of that condition.

14,871. And not set up by pregnancy?—I have never had that point raised. What we have done under the Act is that the illness for sick pay must be distinct from pregnancy. It might be caused by pregnancy, such as varicose veins, but in my view there should be a distinct illness.

14,872. Is that as far as the practice of the parent society on its private side extended?—Yes.

14,873. Now you propose that married women should not receive sickness benefit during pregnancy?—I suggest a rule similar to that of the parent society, and that all matters dealing with pregnancy, both before and after confinement, should be paid by one grant. The difficulty is this: take Kidderminster; every doctor there will place a woman on the funds immediately she is pregnant, whether suffering from any ailment, or not. I think that that is altogether wrong.

14,874. (Chairman.) Do you mean if she is not incapacitated?—They say she is incapacitated. That is the only place where we have had difficulty in administering sickness benefit in these circumstances.

14,875. (Mr. Watson.) Would it not be necessary, supposing that a definite benefit for pregnancy were granted, to withhold sick pay entirely?—Except where there is a distinct and separate illness from that condition. That is the only way in which you can start clear.

14,876. Would it have to be a distinct and separate illness, not arising out of the condition of pregnancy?—That is the interpretation we have placed upon it in the parent society. We have not done it on the State side. If there has been a real illness arising from pregnancy, we have always paid on the State side.

14,877. But not on the voluntary side?—That is so. Of course, our claims on the voluntary side are very few, perhaps six or eight in the year.

14,878. Except in respect of an illness which is totally unconnected with the condition of the member, you would withhold sickness benefit and substitute some suitable grant?—That is so.

14,879. That is a definite recommendation?—I personally strongly recommend that as the only solution of the difficulty.

14,880. The only difficulty in applying that, which occurs to me, is how can you administer such a rule?—I think we could administer it; we have had no difficulty at all in the parent society. I grant that it only affects a few cases. The doctor on every occasion has helped us. If it were a ruling of the Commissioners, there would be no trouble in the administration of the maternity claims, or illnesses arising from pregnancy.

14,881. Would not your recommendation involve this, that every time a married woman went to a doctor for a certificate for some incapacity, and presumably for a certificate for the society, the question would have to be raised whether her incapacity was connected with pregnancy or not?—That is so, but we have never found any difficulty. Our Birmingham doctors do distinguish between the separate illnesses and pregnancy.

14,882. It is a difficult thing?—I grant that it is. If the woman were suffering from excessive vomiting or anæmia, the doctors would have no need to ask whether the woman was suffering from pregnancy. As to your suggestion that, on every occasion when a married woman went to a doctor, he would have to ask her about her condition, I do not think that that would be necessary at all. I can assure you that every conscientious doctor in Birmingham is extremely anxious about this matter. It is the most difficult thing which they have to deal with. In almost every town the matter is dealt with on different lines. I think that that ought to be stopped, both in the interests of the insured persons and of the societies. The illnesses relating to childbirth, both before and after, should be dealt with fully, and the doctors should have definite instructions given to them. I want the matter administered uniformly.

14,883. Your suggestion appears so important that I wanted to get the circumstances so that we can consider what it might involve?—I do not think that what you are suggesting would ever arise. In the majority

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of cases the doctor can tell immediately what a person is suffering from. If it has no relation whatever to the condition we are talking about, he can certify for the illness without asking her about her condition.

14,884. (*Miss Wilson.*) You said that you had special sick visitors; can you tell us a little more what sort of people the special women sick visitors are?—One is a trained nurse, and the other is a woman who has done a good deal of visiting among insured persons and friendly society members. They are two well-educated, sympathetic women. They would not lie about a woman to the society, and, on the other hand, they would give what they consider to be an absolutely fair report. They are people we can trust absolutely.

14,885. The nurse does no nursing?—None whatever.

14,886. She does not mind doing the detective work, and does not consider it to be unprofessional?—I do not send our visitors out as detectives at all. That is a mistaken idea altogether. Sick visiting is not detective work.

14,887. Not in all the cases?—It should not be in any case. The visit of a visitor ought to do the patient a great deal of good, if the visitor goes about it with knowledge and tact. The main object of the sick visitor is to find out how the sick person stands, and it is as much in the insured person's interest as in that of the society.

14,888. What instructions do you give them when they find a woman doing household work? Do you tell them to put the woman off the funds, if she is found doing dusting?—That would be only a trivial matter of superintending the house, and I question whether it would be reported. If she were doing washing, or, as I had a case reported, scrubbing the front doorsteps, that would be reported.

14,889. You expect your visitors to tell you what sort of household work they are doing?—Yes.

14,890. You keep some hold over them, if they are not reasonably doing the work?—Certainly. I simply write and say that complaint was made of such-and-such a character, and ask what they have to say about it. The members always have a chance of putting their side of the matter.

14,891. Do you make it quite clear to your sick visitors that they are not detectives?—Certainly.

14,892-3. And that they are not to get people off the funds if they possibly can?—I do not see that that is any part of their business, unless, of course, they find some one malingering. Their primary object is to see the condition of the patient, so that we may know how she is.

14,894. Have you any scheme under section 9 (2) of the Act for cases where the sick pay is not more than two-thirds of the wages?—We have not.

14,895. Are you thinking of setting it up?—No; I have suggested in the statement I made that the sick pay should bear some relation to the wages they are ordinarily earning.

14,896. Why are you not preparing it?—We are waiting to see the report of this Committee, before any amendment of the rules takes place, or any is suggested.

14,897. You have suggested that a grant should take the place of payment for any sickness connected with pregnancy?—Caused by pregnancy.

14,898. Have you any idea what that grant should be?—I am not concerned with the amount. I would rather a person had a fixed sum when she was confined to cover the whole business.

14,899. The amount has some relation to the period for which you think they should be paid?—I think four weeks should be sufficient. Personally, I think that in most cases it would pay a society to pay 3*l.*, rather than the 30*s.*, than to have the trouble they get before and after confinement at the present time.

14,900. Do you mean another 30*s.* in addition to the maternity benefit?—I am not suggesting another 30*s.* I am suggesting that societies would be better off if they paid 3*l.* to cover the matter.

14,901. You do not express an opinion?—I am not in a position to do so; it is a matter rather for the Commissioners than myself.

14,902. I am not quite clear as to your practice as regards payment during pregnancy on the State side. Have you been paying cases of total bodily disablement, even if there was no specific complication such as varicose veins?—The rule we have generally adopted is that, if a person who is pregnant goes on the funds, the illness must be absolutely distinct from the condition she is in, but, at the same time, the illness may be caused by the pregnancy. If it is caused by the pregnancy, then we have always paid.

14,903. Supposing there was a case of a woman in a condition of advanced pregnancy, and there was no doubt that she was totally unable to work, and yet there was no other illness, either connected or unconnected with pregnancy, have you paid in such cases?—I am afraid not, unless the doctor could certify that there was an illness. In most of these cases of complaints, we do not know that they are pregnant until the maternity claim comes in; that is our trouble.

14,904. Do you remember any case in which there was complete disablement in which you refused payment solely on that ground, that there was no complication?—We have not refused anyone yet.

14,905. Have you paid where the doctor has certified debility with pregnancy, or would you consider that debility was not an illness?—Debility covers a multitude of sins. As soon as we see debility, we always prosecute inquiries immediately.

14,906. Have you refused any such cases?—My usual rule has been always to communicate with the doctor, and to act upon his advice. We have done that in all cases of pregnancy up to the present.

14,907. If you were satisfied in a case in which the doctor has certified debility and pregnancy that there was complete incapacity, would you pay?—Yes.

14,908. Does the same apply to dyspepsia or anæmia with pregnancy?—In all cases of doubt, I always communicate with the doctor in attendance on the sick patient.

14,909. So that it is possible that you have paid for some cases in which there was really no complication?—It is quite possible.

14,910. In which you were satisfied that there was complete disablement?—There comes in the difficulty for the doctor. He does not know what he should, or should not, certify; that is the trouble.

14,911. You believe in having your committees run by women?—Certainly.

14,912. Do you find that to be an important factor in educating the women to understand what insurance is?—I think so.

14,913. You are rather hopeful that in another year your claims will not be so high, simply through better education in that respect?—Certainly, and if we can educate the doctors too.

14,914. What sort of women have you on the committees? Have you representatives of all the different trades of which you have given us a list?—Yes.

14,915. They are really the members themselves?—Yes; there are three on the women's central committee who are honorary members. In every other case they are employed persons and insured under the Act. Those on the district committees are all insured persons.

14,916. Is there no case in which a district committee is run by honorary members?—Not a single case, so far as I know.

14,917. Is there not a disproportionate number of your better educated members, such as school-teachers, on the committees?—There are very few, because few are insured.

14,918. So your less educated members are quite thoroughly represented on all these committees?—Certainly.

14,919. It is a thoroughly democratic government?—Certainly; a too democratic government, I am afraid.

14,920. Have you got any women working in trades in which there are scheduled occupational diseases

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under the Workmen's Compensation Act?—I have had no cases to investigate among women, but I have had quite a number amongst the men. I cannot say that we have not, but I cannot say that we have.

14,921. Can you give us your experience of the cases you investigated among the men? Have you found it hard to deal with cases of accident?—Yes; the insurance companies are acting very strangely and unfairly with these men. I had a man a few weeks ago, who had been on our funds for six weeks for blood-poisoning. The firm he worked for told him to go and get as much as he could out of the insurance company, and when he had done so, they would come to his help. In one case, the insurance firm offered a man 4*l.* compensation for the whole business. I communicated with the firm, and put it right straight away. That was a clear case of fraud. Last week I had a case of a man suffering from blood-poisoning, and the insurance company got him to sign for 7*s.* 6*d.* sick pay in full settlement of all claims. The man is still ill, and is likely to be ill for the rest of the year. Insured persons are being imposed upon in these occupations, very badly indeed.

14,922. Do you get to know of these cases?—Certainly.

14,923. Do you take up these cases of accidents for your members?—Certainly. I have contested over 30 claims for members, and in every one I have succeeded up to date.

14,924. Among the women you classify as factory hands, you would have many in the hardware trades, working amongst dangerous machinery, and do you find many small accidents among them?—4,000 out of the 11,000 are probably engaged in the hardware trade, which is heavy work. Those are the risky cases.

14,925. Do you find any difficulty in getting them to tell you that there has been an accident?—Unfortunately, I had about two cases of that kind, where they have tried to suppress it.

14,926. They know that you will take up the cases for them?—Certainly; we offer to find them free legal advice, and assistance in these cases. The parent society offers them that.

14,927. Can you tell us anything about your laundresses? Are they working in hand or steam laundries?—Steam, chiefly.

14,928. Is a large proportion of them married women?—No, they are mostly single girls.

14,929. Do you know what type of claim they come to you for?—They have been very fair. I think that you will find the figures for the laundry people are low. We have three or four laundries in Birmingham. It has been a very fair risk, indeed.

14,930. Do you think that you have a disproportionate number of married women compared with the number of married women in the laundry trade generally?—Apparently; I cannot speak with certainty.

14,931. You are sure that there are few married women among them?—Yes.

14,932. As this is a small number to generalise upon, we ought not to take your figures as representative of the figures in the laundry trade?—I quite agree.

14,933. As to your domestic servants, do you know whether they are general servants in houses where only one is kept?—About one half of them are. About half are servants in larger houses.

14,934. What do you say about your domestic servant experience? Was it higher or lower than you had before?—I had no experience of them as a class before, so I could not form any opinion.

14,935. It is not very low as compared with the rest of your experience?—That is so.

14,936. Do you attribute that to the fact that you have a rather large proportion of the lower class servants?—I could not say definitely. I have not thought of it from that standpoint.

14,937. Are your chocolate workers from Bournville?—Yes, and there are other firms. I am somewhat surprised at the chocolate workers being so low, because we find that among the people living in Bournville, who are in other societies, the sickness

risk is very heavy. It is a clay subsoil, and they are subject to asthma, bronchitis, and similar diseases. I consider these figures extremely good, and very much better than I anticipated.

14,938. Are they better paid than most of your other women chocolate workers?—I should not say that they are better paid than half of those I have tabulated as factory workers, but they are much better paid than the hardware workers.

14,939. What about their age distribution? Are they mostly young?—The chocolate workers are mostly young people. I do not think that they have married women at all, at any rate, at Cadbury's.

14,940. You said that you have chocolate workers from other firms?—That is so.

14,941. But you think on the whole that they are unmarried and fairly well paid?—That is so; the factory hands and charwomen are nearly all married women.

14,942. What about outworkers?—I cannot speak very well about them.

14,943. I see there are only 98?—That is so.

14,944. Can you give us any details about the kinds of claims made by dressmakers? What do they chiefly claim for? Is it bronchial and chest troubles?—Yes, and anæmia. They are chiefly dressmakers from the shops in Birmingham.

14,945. Are they chiefly working in rather small and badly-ventilated workrooms?—Yes; I attribute the heavy claims to that.

14,946. What steps do you take when women members marry, to inform them of their options under section 44?—I have a circular letter, and I also send them a circular, detailing exactly the position in which they are placed.* Our trouble is that a good many of them do not advise us when they are married.

14,947. Do they conceal the fact altogether, and go on under their maiden names?—They do not change their names, or give us notice of it, until they are taken ill, and then we find it out.

14,948. Do they go on working?—Yes, those I am alluding to would continue working.

14,949. Are they the people you would want to suspend?—No.

14,950. When you know that they have married, what sort of proof do you accept from them, that they are going on working, if they do not want to be suspended under section 44?—Simply an intimation that they are returning to work.

14,951. Do you find any difficulty about the question of their going back to work, or does that work smoothly?—It is getting a little troublesome. They seem to have got to know what they can and cannot do. Even when they are intending to go back to work, they will not tell you, except in extremely indefinite language. They say they may go back. Where are you then?

* Copy Married Women's Letter.

DEAR MADAM,

I beg to acknowledge the receipt of your card, together with your notice that you are leaving work to get married.

Under the Insurance Act married women have two options:—

1. They may become voluntary contributors at 3*d.* per week, in which case they would get medical benefits, reduced sickness benefits, and disablement benefits; or
2. They may discontinue paying, and thus cease to be insured.

I would, however, point out that in the latter case, if your husband should die, and you resumed work, your membership would continue, and all benefits be payable as though there had been no break in your membership. You would, however, require to resume work or pay up arrears within one month of his death.

Will you kindly let me know which of the above two options you desire to avail yourself of. Also please answer the following questions:—

1. What date were you married?
2. Date of your husband's birth?
3. Husband's Christian name?
4. Is your husband a British subject?

The Commissioners require the above particulars to be given at once, but at the outside within one month.

Yours faithfully,

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Mr. F. W. DANIELS.

[Continued.]

14,952. Do you think that they are not going back to work?—I think that it is more than likely that they are not going back to work.

14,953. You are not talking of persons who are receiving benefit at the time they are married?—I am. Supposing a person has received maternity benefit, she claims sick pay after. She says she may go back to work, but is not certain. They should say what they are going to do within a certain time. This is a product of the last three months. I have had 30 or 40 such cases.

14,954. In the case where the woman is not receiving benefit at the time, and says that she does not want to be suspended on marriage, and, although she is not working at the moment, she intends to go back to work, have you found any difficulty there?—I have not as yet; I expect a reply within a reasonable time. We have had no difficulty on that point, but the difficulty is that when you get a married woman on the funds, she may be going back to work, and when you ask her, she says that she is not sure.

14,955. Do you pay her?—We are obliged to. If we stopped her pay, she would complain that she was an insured person, and that we were stopping her dues.

14,956. You pay her as long as she is incapacitated?—We have paid up to the present, but it is one of the points that require to be clearly defined.

14,957. Do you think that before the woman came on the fund she ought to have told you that she was not going back to work? Do you say that she has pretended she was working beforehand, when she was not, in order to get the benefit?—A good many married women work up to the time they are confined. After they are confined they keep sick, and have an allowance. If you write and ask them if they are going back to work, they reply that it is uncertain and that they may.

14,958. In any case you would pay so long as they are incapable?—We have up to now, but it is a very difficult point to settle, and the officials of friendly societies are in an extremely difficult position.

14,959. (*Dr. Smith Whitaker.*) As to your proposals with regard to pregnancy claims, in your memorandum of evidence there is a statement as follows: "Some alteration is needed in regard to illnesses preceding and following pregnancy. At present they are the most difficult cases to deal with. My view has always been that it would be much better to have a definite grant to cover the whole business." You then proceed to quote the rule of your parent society in the matter. It was not quite clear to me, either from that, or from your statements in answer to the Chairman and Mr. Watson, what you mean by the "whole business"?—I mean the whole sickness and illness attendant upon the pregnancy, and confinement.

14,960. You mean all illnesses arising out of the condition of pregnancy?—Yes. I am not including sicknesses which are absolutely distinct from that condition.

14,961. If such a principle were adopted, you would have to discriminate in the case of a pregnant woman, between sickness that, so far as could be ascertained, was due to pregnancy, and sickness that, so far as could be ascertained, was due to some other cause?—That is so.

14,962. And you have to rely on the doctor's certificate to enable you to make that discrimination?—Certainly.

14,963. One is doubtful, from the practical point of view of administration, whether the doctor would be able to give you the information?—I should have thought that in the majority of cases they could easily discriminate.

14,964. There are some cases in which, as, for example, if a woman had broken her leg, there would be no difficulty in saying that that was not due to pregnancy?—But there are different ailments arising from that condition, and it would only be in those illnesses that the matter would be debatable.

14,965. Suppose the doctor certified that a woman was unable to work from heart disease and pregnancy, and that he could tell you from his previous

knowledge of the case, that the heart disease had not prevented the woman from working before she became pregnant, and, so far as he knew, would not prevent her, but that it was the combined effect of the heart disease and the pregnancy that prevented her from working, in which class would you place that case?—In the pregnancy class.

14,966. If pregnancy was part of the cause?—Certainly; that is why the grant should be increased. If it was a quite distinct illness, the society should pay as for an ordinary illness.

14,967. If the illness was due directly or indirectly to pregnancy, do you say that it should fall under the pregnancy head?—I think so. At present the doctors are at "sixes and sevens," and do not know where they are. There is a great deal of money being paid away, that ought not to be paid, while some are not getting what they are entitled to.

14,968. Coming to Mr. Watson's point, what would you expect of your doctor if he saw a case of illness? Would it not mean that he would be bound, in the case of every married woman claiming sickness benefit, to enquire into the question of possible pregnancy?—As a layman I should have thought not, except in rare cases. In the majority of cases the doctor can easily tell whether the illness arises from that or not.

14,969. If you were told that there were cases such as the one I have just stated, where there might be nothing to put the doctor on the track of possible pregnancy, and the doctor had gone on treating the patient for some time, without expecting pregnancy until the later months, what would you say?—I quite appreciate that there are difficulties. There are bound to be difficulties arising out of these conditions, but those difficulties would be very small compared with what they are to-day.

14,970-1. Do I understand your proposal to be that whenever the illness is due to pregnancy, directly or indirectly, there is to be no sick pay in the ordinary sense, but merely a lump sum grant of a fixed amount?—That is what I suggest, unless the illness is quite distinct from the pregnancy.

14,972. So that the woman who had no illness, and who was able to work throughout the earlier part of her pregnancy, and the woman who was incapacitated for several weeks or could not work at all during pregnancy, would both receive the same sum?—That is the only difficulty.

14,973. The society is to limit its liability in all cases of pregnancy, and throw such risk as there is on the woman?—I think that would be a great deal better. We have only had a few cases in the parent society, and we have not had a single difficulty arise under that rule.

14,974. Turning to some other points, first with regard to these figures as to the proportion of cases—attended by doctors—that were certified as unfit for work, I understood you to say that some doctors had been unable to give you any information, or had only been able to make guesses, but that other doctors had been able to give you definite figures, although they were not complete figures?—Two or three have given me figures for a few weeks, but in the majority of cases—I might say in all the cases—it is an approximate estimate. I gather that most of them say that during the whole year about three-fourths of the patients according to the figures on the doctor's list, would have consulted them, and of the three-fourths, it is suggested that one-fourth came on the funds.

14,975. But these are only guesses?—Yes. I happen to know all these men. They are not our own doctors, but the doctors who have sent in these returns are very reliable men.

14,976. Have they sent in definite figures?—No, only approximate figures. I have had no definite figures except in the case of the man whose letter I read.

14,977. I do not understand the difference between the man who gives approximate figures and the man who just makes an estimate?—I should say an estimate was approximate figures. You used the word "guesses"; I do not think that any of these men

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[Continued.]

have guessed. I think they are approximate figures, although you cannot depend upon their accuracy altogether.

14,978. Do you personally accept them as reliable within a 10 per cent. margin?—I should think that they would be nearer than that.

14,979. Within a five per cent. margin?—I think they are approximately correct.

14,980. As evidence that the majority of persons going to the doctors do not go for certificates, but for treatment?—Yes, I am very pleased to find that that is so.

14,981. Dr. Shaw put a question to you on the subject of doctors being asked to certify definitely whether the patient was supposed to be suffering from syphilis or gonorrhoea, instead of cloaking it on the certificate?—I do not think that they should cloak at all. The complaint should be plainly stated on the certificate. As to whether it arises from wrong-doing, that has nothing to do with the doctor.

14,982. The suggestion was made that possibly the requirement that the disease should be plainly stated on the certificate might deter people, undesirably, from obtaining treatment, and that they might be afraid to go to the doctor, for fear of having revealed what they themselves believe to be the matter with them. Does it occur to you that that would not apply, if the patient did not claim sickness benefit?—That is so; he has done so in the friendly society; he has gone to the doctors, but made no claim on the society.

14,983. You assume from the past experience of the society, that they have not been deterred by that consideration?—That is so.

14,984. If a man is suffering from a disease of this kind, and supposes that he has a just claim for benefit, because he thinks it is not due to misconduct, he will have no fear of the certificate going forward?—I do not think so.

14,985. But if they are conscious of the fact that they are not entitled, it is desirable that they should be deterred from claiming?—That is so.

14,986. So it is very desirable that the doctor should state the complaint, if any claim is made?—That is so. I am at one with the doctor in saying that he could not go into the morals of the people, and give the cause.

14,987. A man who claims in these circumstances, and who desires the doctor not to state that it is syphilis or gonorrhoea, is in all probability seeking to obtain money wrongfully?—That is so.

14,988. And the doctor by concealing it is assisting him to do so?—That is what I deprecate.

14,989. And in that case there would be no justification for the doctor not stating the nature of the disease?—Of course, the doctor is placed in a very difficult position. Societies do not wish to be unreasonable, but they do wish to know the nature of the illness.

14,990. If a man presses the doctor to certify, the doctor might say, "I will sign the certificate if you like, but if I do sign, I must certify so-and-so." That is, if the doctor is under pressure from his patients?—Yes, but a doctor ought to have sufficient moral courage to withstand that.

14,991. I am suggesting that he should tell the patient, "I must certify truthfully"?—I have no objection to that.

14,992. Do you press him to certify, and let the patient take the risk?—That is very often done, from what the doctors tell me.

14,993. You say that the doctors excuse themselves for admitted negligence and carelessness, on the ground that they have not time, because they have too many people to treat?—That is so.

14,994. Does that only apply to some doctors, or is that a general statement?—We should, I think, hear of those doctors where the trouble had arisen.

14,995. How many insured persons approximately are there in Birmingham?—308,000.

14,996. And how many doctors have you on the panel?—About 251. The position of the panels is as follows:—Not exceeding 50 patients, 18 doctors; exceeding 50 patients, but not exceeding 100, 10

doctors; exceeding 100 patients, but not exceeding 250, 30 doctors; exceeding 250 patients, but not exceeding 500, 32 doctors; exceeding 500 patients, but not exceeding 750, 28 doctors; exceeding 750 patients, but not exceeding 1,000, 28 doctors; exceeding 1,000 patients, but not exceeding 1,500, 42 doctors; exceeding 1,500 patients, but not exceeding 2,000, 26 doctors. Strange to say, in looking through their names, I find that nearly all the troublesome doctors are in the following list:—Exceeding 2,000 patients, but not exceeding 2,500, 22 doctors; exceeding 2,500 patients, but not exceeding 3,000, 6 doctors; exceeding 3,000 patients, but not exceeding 3,500, 6 doctors; exceeding 3,500 patients, but not exceeding 4,000, 4 doctors; exceeding 4,000 patients, but not exceeding 4,500, 6 doctors. That makes just over 40 with over 2,000 patients.

14,997. Have the doctors with 4,000 and over on their list a private practice as well?—The man who has the highest number in Birmingham happens to be one of our old doctors. He has a private practice, but I expect it is not a large one.

14,998. What about the dependants of the insured persons on his list?—I am afraid they have not been thought about.

14,999. Do they have another doctor to attend them?—I could not say; presumably they have. It is only within the last two or three days that I have been making inquiries.

15,000. Has he an assistant?—I could not tell you; I should think that he had.

15,001. That is only an inference from the size of his practice?—Yes.

15,002. In those cases where the doctors have such large lists, and are so pressed for time, does not dissatisfaction grow up among the patients through want of attention and being kept waiting?—Yes, these large panels are chiefly in the worst parts of the town, and in the past the people have not had friendly society practice and training, and what treatment they have had, they have taken largely from charity. To that I attribute the fact that there have not been very many complaints as yet.

15,003. The people in those cases, so far as attendance is concerned, are getting as good attendance as they had before?—Probably better, whereas the friendly society members say they are not getting as good attendance.

15,004. Do you think that as time goes on, and the patients appreciate the position better, they will transfer themselves to people who are not so busy?—I think so.

15,005. Is it not probable that in Birmingham, as in some other places, one reason for the doctors having large lists in congested areas, is that there are so few doctors in those areas?—I do not think so. The state of the panel largely depended upon the attitude the doctor took up in the first place in relation to the Act. I do not think the size of the panels in Birmingham, nor probably anywhere else, was due to the reason you suggest, and I can give no definite reason for it except their attitude at the start.

15,006. Some men were on early?—Yes. For instance, one of the best doctors has only 800 patients. He was one of the best doctors in Birmingham, but he was one of the "die-hards," and came on the panel last.

15,007. Do you think that that will rectify itself when people exercise their choice?—Possibly, particularly if we get the doctors to work in unison, as I think we may presently.

15,008. Do you think that it is desirable definitely to restrict the number a doctor might take on his list?—It is very difficult to answer that. One man can do twice as much work as another. The doctors in Birmingham on the Medical Association put the limit at 2,000. They say that a man without a large practice can manage 2,000 easily, but beyond that they say that he cannot.

15,009. Not even with high organisation?—They say that he cannot. Most of the complaints have come from the doctors who have large lists.

15,010. You appreciate that if you had a fixed rigid limit and said that no doctor must have more than a specified number, you are doing two things:

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[Continued.]

in the first place, putting a restriction on the insured person's choice of a doctor, and saying that after 2,000 have chosen their doctor, no person can have that doctor, however much they want him; and secondly, you are, by implication, saying that you think that any doctor can take 2,000?—I quite appreciate both points, but I certainly say that 3,500 to 4,000 is altogether too large a number.

15,011. Do you think that, in addition to the question of patients transferring, this difficulty may partly adjust itself if the insurance committee, in dealing with any complaints against doctors, took into consideration the question whether a doctor had accepted an exceptionally large number, and, where they thought that that was the cause of his neglect, or one of the contributory causes, dealt more severely with the case?—That has been done in Birmingham in regard to the 10,000*l.* surplus for the doctors, which has not been allocated. All those having over 2,000 were to have no share in this 10,000*l.*, but I think the Commissioners have upset that. It shows the attitude of the Birmingham committee and the Birmingham doctors.

15,012. You know the position under the new regulations that where it comes out in evidence that an excessively large list is one of the contributory causes of the matter under complaint, the committee may not only transfer the patient who complains, but transfer other persons without the doctor's consent?—I think that that is one of the best regulations that has been passed, and it should go to reduce the difficulty here.

15,013. That might enable committees to cope with this difficulty without committing themselves to any rigorous limitation of the lists?—Yes, to a very great extent.

15,014. On the question of improvements in the medical service, you would prefer to give a little longer trial to attempts to improve the working of the existing system, before attempting any radical changes?—I certainly should. When I have been annoyed, I have sometimes stated the contrary, but I really think, on the whole, that the panel system is the best, if it can be worked effectively.

15,015-6. Would any other consideration occur to you in favour of giving it a little longer trial?—I think that the doctors need education just the same as insured persons. I think another twelve months will remedy a good many defects, especially if the Commissioners

The witness withdrew.

Mr. C. W. WOODCOCK (*Secretary to the Midland Railway Friendly Society*) examined.

15,024. (*Mr. Watson.*) Are you the secretary to the Midland Railway Friendly Society?—Yes.

15,025. Is that a registered friendly society?—Yes.

15,026. What is the number of members in the society insured under the National Insurance Act?—32,000.

15,027. What is the total membership of the society?—Altogether 35,000.

15,028. Then there are 3,000 members of the society who are not insured with the society for the purposes of the National Insurance Act?—That is so.

15,029. Are these 3,000 all insured persons?—They must be, of course. They are in the employ of the company, and they will be insured persons.

15,030. Are any of them superannuated?—No. The superannuated member is distinct from the others. The superannuated members amount to about 1,600.

15,031. Are there any members who are chronically sick, and in consequence not eligible to be insured?—Yes, a number. About 450 I should think.

15,032. Are they a part of the 3,000, or are they additional?—They are a part of the 3,000.

15,033. Can you give us any particulars as to the claims for sickness benefit which have been made on the society on the State side?—The claims for sick pay on the State side amount to 2*s.* 5*d.* a quarter.

15,034. Is that an average for the three quarters?—Yes.

issue rigid instructions on the various points about which they seem to be in doubt.

15,017. Do you look with any hopefulness to an improvement in the relations between the doctors and the secretaries of approved societies, and to seeing them on better and closer terms?—I think those relations are improving every day.

15,018. You, personally, speaking broadly, have no difficulty now in getting any information you really want?—Personally, really none.

15,019. There may be one or two doctors who are difficult?—That is so in any circumstances. I have never had a complaint against a doctor, and dealt with that complaint, where it has been repeated a second time. The one thing I complain about is that they have been too careless in issuing certificates. That is the one trouble.

15,020. Do you think that that has been partly due to temporary causes? I think that you had very great feeling in Birmingham at the time the Act was brought in, and that the doctors felt strongly upon it. Do you think that perhaps that coloured their attitude, even after they came on the panel?—I think so. The doctors who chiefly trouble us to-day are those who are still antagonistic to the Act.

15,021. On the question of the employment of referees, I gather that you think that if there were any centrally appointed referees—that is to say, referees appointed otherwise than by societies—that their duties should be restricted, and you would not allow every small case to go to them?—I should only use them as umpires, and I think that three parts of the trouble would disappear.

15,022. Is your reason for that that you think the majority of cases are trivial, and that you will have to pay these men at a higher rate than that at which you could obtain men locally for the society?—Quite outside the question of payment, it would be better for other reasons. Three parts of these cases will disappear when the Act is working smoothly. When last week the Chairman raised the question whether the referee should be appointed by the insurance committee or the Commissioners, I took the view that he should be appointed by the Commissioners. Since then I have consulted six or eight doctors, and they are all in favour of an outsider, an officially appointed man, coming in, and that the referee should not be a local man.

15,023. They think that there might be some local bias?—That is so. They feel very strongly about that.

15,035. What alterations, if any, have you made in the constitution of the society on its private side in consequence of the passing of the National Insurance Act?—Of course we have a scheme under section 72, whereby the accumulated funds of the society were to be distributed in the form of benefits, and no further contributions to be paid, and it worked out that a member should receive 2*s.* a week sick pay, a pension of 2*s.* a week at 65, and a death benefit of 12*l.* for himself and 5*l.* for his wife.

15,036. And these are all the benefits on the private side?—Yes.

15,037. What do the members contribute to the private side?—Nothing now.

15,038. The members only pay their 4*d.* under the Act?—They do not pay that. They pay 3*d.* The company pays the other 1*d.*

15,039. Is the society approved as an ordinary approved society, or as an employer's fund?—As an employer's fund under section 25.

15,040. And is the payment of the additional 1*d.* by the company one of the conditions under which the approval was granted under that particular section?—I cannot say definitely, but I understood that it was.

15,041. What were the benefits paid by the society before the Act came into operation?—12*s.* a week for 26 weeks and 6*s.* a week for the remainder of the illness, a pension of 8*s.* a week for life, 12*l.* at death and 5*l.* on the death of the wife, and there is accidental

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[Continued.]

sick pay as well, in the case of a man who met with an accident, of 6s. a week in addition to his compensation. I omitted to mention before that this is still in force in respect to the private side.

15,042. So that the benefits on the private side are now 2s. a week instead of 12s. a week during sickness?—Yes.

15,043. But still 12s. a week in case of compensated accidents?—For the first fortnight.

15,044. Anything after the first fortnight?—6s. for the old members—those who were members on 16th December 1911, who, of course, had assisted to build up the fund.

15,045. Those are the members who are entitled to these particular benefits from the fund without the payment of any contributions?—Yes.

15,046. Do new members subscribe to the private fund?—No, they do not. The company by their scheme, in the case of these men, in addition to the State benefits, pay the same death allowance as was paid under the old rules, and they also grant a pension at 65 of 7s. a week up to 70, and 4s. a week afterwards.

15,047. In the case, therefore, of persons who were members of the society on 16th December 1911, certain additional benefits are given out of the funds thus accumulated without the payment of any contribution?—Yes.

15,048. In the case of persons admitted after that date certain other additional benefits are granted, but solely, in this case, at the cost of the company?—That is so. I may say that those who were members on 16th December 1911 have 2s. pension from the accumulated fund plus 5s. from the company. That makes them 7s., and as the old fund will yield 1s. after 70 the company add another 3s., so it puts future members in the same position as the old members in respect of pension.

15,049. The old members obtain from the funds of the society 2s. between 65 and 70., and the company grants a further 5s., so the total pension up to between 65 and 70 is 7s. a week, and after 70 it continues to be 7s. because the old age pension takes the place of the company's pension?—Yes, except after 70; he receives then 3s. from the company and 1s. from the society; total, 4s.

15,050. What is the difference between that and the new members?—They are on the same footing. The only thing is that 2s. and 1s. do not come out of the accumulated fund, but out of the company's funds. The old members on the 16th December 1911 have 2s. up to 70, and 1s. after 70 from their accumulation. The company add their 5s. up to 70 and 3s. afterwards, making it 7s. and 4s. The company themselves out of their pocket have put the new members, who came in since that date, in the same position as the others for their 3d. a week.

15,051. So that the member receives a pension or superannuation of 7s. altogether between 65 and 70, and 9s. after he is 70, if he is eligible for the old age pension?—That is so.

15,052. And that applies both to present members and to future entrants?—Yes. Of course the 5s. old age pension acts in respect to the old members as well as to the new.

15,053. You told us just now that the sick pay on the private side had been reduced from 12s. to 2s.?—Yes.

15,054. The total sickness benefit received by the members is the same now as it was before the Insurance Act was passed?—Practically. Of course chronics we have to take into account, but it is practically the same.

15,055. Why do you make an exception of the chronics? They are not insured persons?—No.

15,056. Every insured person gets, in fact, 12s. If he is insured on both sides of the society he gets 12s. from the society. If he is insured in some other society for the State benefit he gets 2s. from the society and 10s. from the other society?—Yes.

15,057. And in each case the amount is the same as he got before the Act came into operation?—Yes.

15,058. What have you to say to the suggestion, which has been advanced in some quarters, that sick-

ness claims have been heavy in 1913, as compared with 1912?—I am prepared to say that so far as we are concerned, they have not been so heavy as last year. I am sorry that I have not been able to get out some proper statistics for the Committee, but I believe that there is a saving on the payments of the year. I should not like you to accept that without some documentary evidence, but I believe the claims have not been so heavy with us.*

15,059. Have you any figures you can give us? Can you tell us the total amount of sickness claims in the year 1912?—I have here a couple of our old balance sheets. The 1912 claims amount to 38,053l.

15,060. Do these claims include the benefits you spoke of just now as accident benefit?—Yes.

15,061. That should be taken off, should it not? Can you give us an idea of the figure?—2,520l. for accidents.

15,062. These claims also include sickness benefit for members who were chronically sick, and are not insured under the National Insurance Act?—Yes.

15,063. Have you continued to pay out of the private funds of the society the full rate of benefit to those persons?—Yes, the rate of benefit they are entitled to. Of course many chronic cases were ill before July 15th, 1912, and had been for some years, so they were on half-pay—6s.

15,064. How many of these have you?—I should think about 450, drawing about 16l. a year each.

15,065. That would afford some guide to the amount that ought to be excluded from this year as representing sickness which does not in any case come under the National Insurance Act?—Yes.

15,066. Can you give us any figures for the year 1913? What have you paid on the private side?—For the nine months 12,704l.

15,067. That includes the sickness benefit of 2s. a week, the chronics at 6s., and the accidentals at 12s. a week. What have you paid on the State side in the same period?—11,564l.

15,068. Those two payments taken together, amounting to 24,200l., represent the same state of things as existed prior to the Act, with one exception, do they not? The sickness claims of those members who have not made the society their approved society

* *Statement showing a comparison of the sickness experience of the Midland Railway Friendly Society in the years 1912 and 1913:—*

In 1912 the society was responsible for sickness benefits of 12s. a week for 26 weeks and 6s. a week for the remainder of sickness.

From 15th January 1913 the benefits on the private side were reduced to a sum sufficient, with the State benefit, to make up the same amount of sick benefit that the members of the society received previously. In respect, therefore, of the members who made the society their approved society, the total sickness benefit in 1913 was precisely the same as in 1912. In respect of the members who did not make the society their approved society, the sickness benefit in 1913 appears only on the voluntary side, and is at the reduced rate, namely, the first three days of sickness at 12s. a week, sickness benefit for 26 weeks where the member was under 50 years of age at 2s. a week, and where the member was between 50 and 70 at 5s. or 6s. a week, as the case may be.

The claims for sickness benefit in 1912 (not including accidentals) amounted to 35,533l.

The sickness benefit claims in 1913 were—

On the State side - - - - -	£ 15,113
On the private side - - - - -	15,666
In all - - - - -	30,779
The number of insured persons who did not make the society their approved society was 3,286.	
The claims of this class for sickness benefit under the Act may be estimated at 10s. each, being the equivalent of one week's sick pay for ages under 50 - - - - -	1,643
Total - - - - -	32,422

On comparing this last figure with the corresponding sum for 1912, as above stated, namely, 35,533l., it is seen that the claims in 1913 have been about 10 per cent. less than in 1912.

(Signed) C. W. WOODCOCK.

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[Continued.]

are only in these figures to the extent of 2s. a week?—That is so.

15,069. An adjustment by way of increase has to be made to these figures in order to bring them up to an exact comparison with 1912?—Yes, that is so.

15,070. Did you say that there are 3,000 of these members?—Yes.

15,071. Have you any suggestion as to the amount by which the figures ought to be adjusted? Would it be safe to say one week's sickness for each member on the average?—Yes, I should think that would be fair.

15,072. So that if we added that sum we should have 25,768*l.*?—Yes.

15,073. That compares for nine months with 38,000*l.* in the previous year for 12 months?—Yes.

15,074. And these are the figures upon which you base your opinion that the claims have not increased in 1913?—That is so.

15,075. On the general subject of the inquiry made by the Committee, you say that you have reason for believing that claims which are not justifiable are being made in respect of sickness benefit?—Yes, I think every society experiences the same thing. Speaking in a general way, men will go to a doctor and claim sickness benefit when there is nothing the matter with them at all. They are simply born tired individuals. They have some rheumatic pains. The doctor cannot see a pain, I take it. The men get on to the funds. I have met this class of individual. We are making every effort we possibly can to stop it. We practically know our men from one end of the line to the other. We get to know them and their peculiarities, and I have a system in my books of marking an individual with a cross which is significant. If he does come on, we go and see if he has got one of these aches and pains, or we inquire about him, and sometimes we find that he has been imposing on the funds. Probably his illness has been brought about by drinking.

15,076. Are you now speaking of something which has come to your knowledge since the Insurance Act was passed or since benefits began under the Insurance Act, or something with which you have always been acquainted?—I am speaking from both—since the Act and before.

15,077. But specially since the Act?—I cannot say so. I think that the same happens now as it did before. I have brought one or two cases with me. I found one at Nottingham, or my man did, who was certainly suffering from idleness. His wife took in some lacemaking, and he was stopping at home to assist her and to look after the baby. He got his certificates all right, though the doctor had never seen the man. We stopped his sick pay.

15,078. Do you mean the doctor had never seen the member in the first instance?—No. He declared him on without seeing him. Lumbago is another troublesome thing. A St. Pancras man came doubled up with an awful pain in his back. He was prescribed for, because he looked very bad. That was on a Thursday. On the Sunday he was walking majestically in front of a Salvation Army band playing the cymbals. On the Thursday after he went for another certificate, and he was fired. He is better now.

15,079. These experiences are not more pronounced now than they were before the Insurance Act came into operation, are they?—It is difficult for me to say that definitely. At the commencement I am afraid that it was serious. The Act came into operation on January 13th, and they had not got over Christmas, and we had two or three cases where the man had had more than was good for him, and had gone down to get on the insurance fund for which he was paying. I have two really bad cases, and the same thing perhaps would have happened before, but at the commencement advantage, I think, was taken of it.

15,080. You have given us your opinion that the total claims in 1913, for the nine months which have elapsed, are, if anything, below the claims in the corresponding period of 1912. That certainly seems to indicate that whatever tendency there may be to malingering, or put in unjustifiable claims this year, applied with equal force to 1912, and you also told us

that the society reduced the contracts of its members, so that their total sickness benefit is only the same now—12s. a week—as it was in 1912. Seeing that the members can get no more sickness benefit this year than they could last year, and seeing also that your total expenditure this year is rather less proportionately than last year, is there any reason for thinking that the excess, if there be excess, is induced by any special conditions set up under the Act?—No, only the fact that it is State benefit, and that people are able to get this benefit easier; but I think that we have minimised it considerably by our management. I think the probability is that the claims would have been heavier, if we had not taken measures to keep them in check.

15,081. But the claims have not been particularly heavy in 1913 anyhow. There was no more money to be got than in 1912?—I am afraid that I must say, with all due respect to the doctors, that there was a great ease in getting the certificates—more than under the old *régime*.

15,082. You think in consequence of the attitude of the doctors that there would have been an excessive experience in 1913, but for something else that came along and counteracted it?—I think so.

15,083. Will you tell us what that something else is, in your opinion?—We set up a sickness visiting system. We had always had a sickness visiting system, and men were appointed on the line. Names of sick visitors were submitted to the committee, and they were appointed by the committee in each town and district and so forth. We have a number in London, Birmingham, Manchester, and so on—140 altogether.

15,084. Is that the present number, or the number you had before the Act?—It is the number now. We have increased it.

15,085. What had you before 1913?—About 135.

15,086. If the number of sick visitors is the same practically, what special feature of sick visiting is set up in 1913?—Under the old system the sick visitors could get the names from the doctors of the men that went on the club. Now the doctors are not in any way under the control of the club, and they will not in many cases give the sick visitors the names. We had to set up some machinery to get these men's names, and we found it difficult, but I am pleased to say, through the kindness of the company, we have been able to utilise their staff in all the large centres to make the entry for us—name and address, name of illness, date on and off, number of days, and the doctor's name and address. This book is kept in certain places, in London, for instance, in Somerstown and St. Pancras, and some of the small centres round about. They keep the book in the time office. The certificates have to be brought to the time office, because there has to be some reason for the man being off duty. The clerk enters the particulars in the book, and the sick visitor takes the man's name, and visits him straight away. That system is inaugurated in all the large centres of our system.

15,087. You say that under the old system the sick visitor obtained the names of the sick members in his district from the doctor?—Yes.

15,088. Is the sick visitor a whole-time servant?—No, he has to do it in his shifts. I always take care, when a man applies for an appointment, to ascertain his hours of duty. If he is a signman it is 8 or 10 hours, and if he is a shunter 8 hours. That is all taken into consideration, so that he will be able to visit these men at various times, and not at one particular time, because if you do that he will put his coat on when the visitor has gone. We work them round in shifts. In London we have a system that they work in circles. A man does not go over the same district each time, and the patient never knows who is coming. I give them postcards and stamps, and if a visitor has a doubtful man in his district, he drops a card to someone to call on him an hour after he has been there, and frequently the man is trapped. We adopt that system all round. There are a lot of individuals we are on the look-out for. They are on the fund, but they want to get out. That is what we do, and we could not do it unless we had such a system

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of getting their names. The doctors have always been very good with us in the past, and would drop me a line privately when a man was a doubtful character, and then I have had a special watch put upon him, and I in my turn have written to the doctor when I thought a man was doubtful, to look over him strictly. But now, if we asked for very much, I am afraid that they would want 6d. for a certificate, or something extra.

15,089. The sick visitors, then, are signalmen or shunters—men whose hours of duty are such that they can conveniently perform the duties of sick visiting?—Yes.

15,090. And in what way did these sick visitors, before the Act came into operation, obtain their instructions?—They went to the doctors each week, and got the names of the men who declared on.

15,091. Were they not instructed by you to go and visit certain people?—Only in special cases. Their instruction was general to this effect, that they were sick visitors for this district and that the names of their members were to be got from the doctor in that district.

15,092. And on these lists of names they paid their visits?—Yes.

15,093. And if they suspected malingering or breaking rules, the sick visitor would notify the case to another sick visitor and not to you?—Yes, unless the man was caught out. If the sick visitor caught him breaking the rule, he would send a report to me.

15,094. Then under the National Insurance Act the doctors' surgeries, I understand, are no longer available?—That is so.

15,095. Because the members are on the lists of so many doctors?—Yes.

15,096. A sick member has to send a certificate of his incapacity to the company, in order to get his absence from duty excused?—Partly for that, and partly to get it on the sick pay sheet. Perhaps I had better explain that. I have an arrangement with the company by which the sick pay is entered on a separate bill entirely, and the certificate is sent to me with the bill to check at headquarters at Derby. If I had to do everything at Derby, and to search through the lists, I should never get through the work. The certificates are sent in for two reasons—they know that the man is absent ill, and they enter the sick pay.

15,097. Is it the ordinary declaring-on note, and the common form medical certificate that the member sends in?—It is the ordinary certificate declaring-on and declaring-off, and also the continuing certificates.

15,098. They go to the station, and not to the society?—Yes.

15,099. By whom is the sickness benefit paid?—We pay it at the station. I check it, and enter it into the books, and when it is ready the company's cheque for the amount is sent. We save expense thereby. I say what the demand is for the week. I want 400l. or 500l., and it is included in the company's cheque for the wages for that week.

15,100. You authorise every claim before it is paid?—That is so.

15,101. No claim is paid at the station before you have passed it?—No.

15,102. As soon as you have passed the claim, whom do you authorise to pay it?—The station or the depot, wherever it is.

15,103. The managing member of the society at that station?—The cashier at the large depots. For instance, at Somerstown and St. Pancras it is the company's cashier.

15,104. And you issue then a weekly cheque to the company for the whole amount of the sick pay throughout the entire system?—That is so.

15,105. And who takes the sick pay to the member?—It is paid to him when he has his wages.

15,106. Is he paid wages when he is off duty?—Oh, no.

15,107. If he is not receiving wages, he is receiving sick pay?—He cannot have wages and sick pay. But he goes to the pay office and receives it. There would be a week in hand possibly, and in many

cases the man is drawing the money for two or three weeks when he is ill—his piece-work balance. He goes for that, and draws sick pay at the same time.

15,108. Suppose he is seriously ill, who pays the sick pay then?—By wage ticket, if a properly signed authority is presented to the cashier, and that is attached to the pay sheet as his voucher.

15,109. He has to send someone with authority to the station?—Yes, we have proper printed forms of authority in such cases.

15,110. You have no system of carrying the sick pay to the sick member?—Certainly not. The only exception is a few out-members who live in outlandish districts. Some are voluntary contributors, and some are in work elsewhere, but have their interest in the accumulated fund. We have to send their money by post.

15,111. Where do you say that the system you set up in 1913 was a better system of sick visiting than the one you had in 1912?—I think it is better in this way, that we have these books at the depots, and get the names. It was very good of the doctor, but doctors are busy men, and there are times when they possibly could not get at the counterfoils of the sick certificate books, or he might have locked it up, and they have to wait another day or two days, before they can get the names. In the meantime the man has been on and off. It frequently happens with a workman that he has a break out now and again—a drinking bout. If he goes to work in a certain condition on the railway, he is sent home. If he can go and get a doctor's certificate that he is not well, he does not turn up to be sent home. He will go off till he gets his head better. Now he is on this book, he is pitched on straight away.

15,112. Do you think the fact that this book is at the depot is a sort of public announcement that John Jones is away from work?—I think you have touched the point. A man goes up and sees the book. We have 3,000 men there, and they say, "There is a book 'yonder, and they are putting all our names down. 'You will have to be careful how you come down 'to-morrow, and how you go on.'" We have caught several that way. That is better than it was, for the reason I have explained—for the reason of getting the names.

15,113. Do you mean that the effect of putting the names down is to make a man's fellow members vigilant in looking after him?—Yes, to a certain extent. It does not happen so much as it did under the old system, because a man had a sort of interest in the fund which he does not seem to have in this.

15,114. You mean that he does not feel an interest?—No.

15,115. But he has in fact the same interest that he had, has he not?—It is not shown particularly in my experience. In the old days, if a man saw one of his mates playing such a trick, he would let someone know, but that does not seem to be the case just now. There seems to be a very strong idea up and down the country among the workmen that the fund is guaranteed.

15,116. If the members feel that the fund is guaranteed, and they do not feel that they have any particular voice or interest in it, why should they look after each other so much more carefully now that the names of the sick members are posted up in the station?—It is not looking after them particularly, it is rather gossip. If a man sees a name down, he says to the member, you are down in the book, and it gets round among the men like lightning. Under the old system they met their mates out at night, and saw things and reported what they saw. They do not do it now. I had one case last week at Nottingham, where a man saw a certain individual who ought to go to work and reported him.

15,117. You say that for some reason or other you have got a much more efficient system of sickness supervision in 1913 than you had in 1912, and yet you say that the members are not so careful now in looking after each other as they used to be, that they have a feeling that the fund is guaranteed, and that they have not a personal interest in it. If all those

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things were so, and if the benefits were in fact guaranteed, and the members had no interest in looking after each other, would you not expect the claims under the new system to be heavier than under the old?—Yes, you would, but they are not, because they are being so well looked after.

15,118. The only extra looking after that you have described to us, is that you have two or three extra visitors, but you have the same system of visiting?—No, not the same system. One was dependent upon the doctor's surgery to get the names of those who were sick, and the other depends upon the station where the certificates must be brought. It certainly is more efficacious for the book to be kept where the man has to put in a certificate that he is ill, than having to trust to the doctor being in and about his surgery. You can do more efficient work of the same class, if you have a system of that kind. That is what I venture to think from my experience. Take London. There is one man at each depot. He goes to the place where the certificates are in the morning and sees the names, and he can go that night, or after his shift, to visit, whereas under the old system he would have to wait until to-night or until to-morrow night before he could get the information from the doctor, and perhaps he would have to walk an hour or two to get it.

15,119. It is the greater accessibility of the certificate to the sick visitor which leads to a greater amount of visiting?—It is more efficient visiting. He practically visits every man.

15,120-1. You think that there is, in fact, more visiting than there was?—I may say I am sure that there is for that reason, because I have more reports from the sick visitors. I do not mean anonymous reports, which I used to get.

15,122. Do you give any instructions to the sick visitors as to the amount of sick visiting they are to do?—We have given instructions to the effect that where a man is chronically ill, or something of that sort, there is no necessity to visit him every week. That would apply, for instance, to a man who has paralysis. Where a man is well known to be doubtful, however, it is the duty of the sick visitor to go more than once a week or to advise his other sick visiting friend in the city to visit him, and, as I have already explained, to go an hour after him, so that they may catch him malingering if he is doing so.

15,123. What sort of reports do the sick visitors send you?—We have a form on purpose and they send me full particulars. That is the form.*

15,124. Who pays the sick visitor?—The society. We pay them 3*d.* per visit.

15,125. Do they take their instructions from nobody except in very special cases? Do they rely in ordinary cases solely and entirely upon calling at the stations?—Yes; they are appointed to that duty for four years under the rules, and as long as they carry out the duty to the satisfaction of the committee they retain their appointment until the end of the four years. They are then eligible for re-election. When a man is appointed he has his form sent him and also his instructions as to what he has to do. If he has any trouble at all, he has to send to me.

15,126. Do you insist upon having a report from the sick visitor every time before you pay benefit?—

Oh, no, only when he has to report a man for doing wrong. So long as we have no report we pay on the doctor's certificate.

15,127. But how do you know that your visitor is doing his duty?—I cannot tell whether a man is doing his duty when I am in Derby and he is in Carlisle, but I keep a little analysis of the sick visiting, and if I do not hear anything from that quarter I send somebody to see if they are asleep.

15,128-9. How do you know how many threepences you have got to pay?—They have a sick visitor's book which the sick member has to sign on his visits, and they send me a statement.

15,130. You have that book periodically before you?—It is perforated, and they tear the leaves out, and send them to me with a full report.

15,131. That is only a voucher for the payment of their salaries?—They send me the ticket out of this book. They tear the ticket out that the sick man has signed. They summarise that on a sheet, and they send that down to me at Derby, and it is checked once a fortnight.

15,132. But you do not compare every sickness claim with the counterfoil to make sure that a member is being visited before you pay him sickness benefit?—Oh, no.

15,133. So far as the payment of sickness benefit was concerned, you would rely upon the sick visitor doing his duty without checking him?—I cannot check him, only by just analysing the returns from that quarter. If there is nothing coming in, I send someone down to see if they are awake, and if they are not awake, we get rid of them.

15,134. Have you anything to say as to the doctors, and as to the efficiency of the medical certificates?—There is no doubt about it that we had an awful bother to get continuing certificates and so on, but that trouble has been got over. I think that sometimes doctors are too busy, and have got too much on their hands to examine a man thoroughly. I think that if a man says that he has a bad sneezy cold and has influenza, some doctors will think that he has, and give him a certificate.

15,135. Is that a new feature since the Insurance Act came into operation?—I should not like to say yes or no to that, because we have always had some faults of that kind, but the doctors seemed to me to want to get as many 8*s.* 6*d.* or 9*s.* as they possibly could, and they did not want to offend Tom, Dick, and Harry. For instance, a doctor in Birmingham was reported for neglect of his patient. I went to see this doctor and asked him how it was. He said that he had an inquest to attend. We inquired further, and found that he never saw the patient, but that his little girl came down and gave him a certificate. He had never seen the fellow. I reported him to the Birmingham Committee.

15,136. (Chairman.) What was the matter with the man?—He was very bad. He complained of spitting blood at the time.

15,137. What was stated on the certificate to be the matter with him?—I am very sorry; I have not brought the certificate with me, but I have got all the particulars of the case except that. I complained to the Birmingham Insurance Committee, and the doctor and myself had to go before a sub-committee. I

* Midland Railway Friendly Society.

To the Secretary.

..... Station.
..... 19 .

SICK VISITOR'S REPORT.

I beg to report the following Member for breaking Rule 10 by being out after hours, &c., whilst on the Funds on 19 .

Name and Postal Address.	Employed at.	Grade.	Department.	Time visited.

REMARKS.

Signature

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[Continued.]

have before me the sub-committee's report: "Your sub-committee, after carefully considering the statements made to them, beg leave to report that: (a) In their opinion the doctor was prevented by urgency of professional duties from attending the insured person at the time he was summoned, but that the doctor should have visited the insured person on the day he was summoned immediately his engagements permitted, notwithstanding that the insured person failed to summon him again that day, although the doctor had requested the patient's messenger so to do, if there was need for his attendance; and (b) The doctor, although not attending the insured person, issued four certificates to the effect that the insured person was incapable of work. Your sub-committee beg leave to recommend you to direct the clerk to write to the doctor to the effect that, in your opinion, certificates of incapacity should only be issued by him in cases in which he has satisfied himself by examination that the insured person is incapable of work, and that you strongly disapprove of the irregular method adopted by him in this case."

15,138. (*Mr. Watson.*) That was the end of the case so far as you are concerned?—There was a sequel. There was another doctor called in at a charge of 1*l*. The man wanted us to pay the bill. I refused, and sent it on to the Birmingham Insurance Committee, and I have not heard anything from them about it since. I sent up the bill in November last, and I got an acknowledgment on November 17th, and I have not heard anything further. That is one case where a doctor is not doing quite the thing. I have another case here.

15,139. (*Chairman.*) Are you going to take any further steps?—No, I have let the matter drop. I thought that we had taken the matter up sufficiently, though I agree that they rather whitewashed the doctor.

15,140-1. (*Mr. Watson.*) You say that the doctors are more lax in the matter of the certificates than they were in your society in the old days?—I should hardly like to go so far as that. I daresay that there was laxity then, but it did not seem to come out as it does now. We are anxious to keep down malingering, and to bring the sinner to justice. We are anxious as a committee to make this thing go, and we are doing all we can, and I think that if we have a complaint against a doctor we ought to state it.

15,142. You must not think that I hold a brief for the doctor, but I seem to remember some doctors' certificates under the old conditions, where everything on the certificate was printed, and the doctor simply had to hand it out. Do you think that the present condition of affairs leads to greater laxity than may have existed under that system?—I think, if I might make a suggestion, that if the doctors would not hold so much aloof from the societies, and would let us know if they have a doubtful case, we would make special efforts to try to bring the man to book. I know that it is a difficult thing for a doctor, because if he says "This man is no use; he is malingering," that man at once goes and tells his mates, "I am going to transfer," and that doctor not only loses that man but perhaps 20 or 30 others, who go in sympathy. Of course where you have a medical referee, you can put the onus on him. What we have done in the past, and what we can now do under our rules, is to send him for a special examination. Where the doctor has said, "I am sure that he is a wrong one," I have reported him to my committee, and, if he is a Derby man, I have taken him to Birmingham, or if he is a London man, I have taken him to Derby, so that he shall go out of the district in which the doctor resides. I think that this is better. One doctor at Derby has examined men from London and Nottingham and so on. I have taken them from the district altogether.

15,143. You are speaking now of the old system?—That is the old system.

15,144. Have you any more cases?—I have got here the case of a man, a shunter, in Manchester. He was declared on for influenza. I found on inquiry that he had been doing a bit of betting, and that he had won. He was so troubled about it that he went from

Manchester to Liverpool, and although certified as suffering from influenza, he walked all the way home from Liverpool to Manchester.

15,145. (*Chairman.*) What was certified to be the matter with him?—Influenza, and he walked from Liverpool to Manchester.

15,146. (*Dr. Fulton.*) While he had the influenza?—I do not know. The doctor says so. The man says, "I am in disgrace because I won a bet." He had been backing a horse for somebody else, and had got into trouble. He had lost a day's work. That was the English of it, so he got a certificate which exonerated him at the works.

15,147. (*Mr. Watson.*) Do you bring this case to us as a complaint against the doctor?—I do not say that it is a complaint against the doctor, but it is an extraordinary thing to me that a man should declare on, and should be certified to have influenza and yet be able to walk all the way from Liverpool to Manchester.

15,148. How does the circumstance of his having been to Liverpool come to your knowledge?—We got to know from the works that he had not started work. I know when a man is at work. I have a letter before me from the agent of the district telling me, "This man has not turned up as he should have done." When I go and inquire about it, I find that that is what has happened.

15,149. You sent an inspector to visit the man in the ordinary way, and he could not find him because he was on the high road between Manchester and Liverpool?—He had gone.

15,150. You think that the doctor should not have given a certificate when the man could walk all that way?—I wondered whether he was suffering. I think that was an excuse to exonerate him from blame at work. You know a man may sometimes get discharged.

15,151. How old is the case?—November 29th.

15,152. Have you any other case?—I have another case here from Nottingham. He is a capstan man. That is a very easy job. He works the machinery for lifting the goods about the yard. Lads will do it up here. He is a man who suffers from being tired, or idleness. We visited him, and he looked so very well that we told him that we should not pay him anything.

15,153. (*Chairman.*) What did the doctor certify him to be suffering from?—Rheumatism. I sent my inspector to make full inquiries, and then I wrote to the doctor in fault and I had this letter: "I have your letter about —. The man suffers greatly from rheumatism. You may remember that he was off work for seven months in the early part of last year." He goes on to say, "I did give him a certificate without seeing him, knowing what he suffers from. I intended to go the next day, but I must have omitted to put him on the list." I have not paid that man any sick pay, and he has started work. There are one or two instances I have brought up here with me thinking that they might interest the Committee. There is a city man. This man got in a state of gin-and-water. He got too much to drink. He denied emphatically that he was drunk, but he had been seen drunk. We stopped his pay, and we have suspended him from benefit for six months.

15,154. What was he certified to be suffering from?—Rheumatism. He said that he was in bed, but we knew that he had been seen drunk down by the docks. My man said to him, "You were in bed at the time?" "Yes," he said, "I was." After talking a bit my man said, "You were not drunk down at the docks at such a time?" He answered, "Me drunk? No. I was not near drunk." Of course, he fell into the trap.

15,155. (*Mr. Watson.*) Is your complaint that the doctor did not give adequate attention to the case, or do you instance it as one of the difficulties that you have in sick visiting?—As to the difficulty we have in sick visiting. Sick visiting is sometimes awkward in outlandish places.

15,156. You have just given us a case where you say that the doctor certified the member to be suffering from rheumatism, although your sick visitor saw

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him down at the docks drunk?—No, he had been reported to us as drunk, and our inspector went to investigate the case, and trapped the man. He said he was in bed at this particular time, and then afterwards when the inspector said, "You were very drunk down at the docks?" he said, "No, I was not near drunk."

15,157. He did not mind being charged with lying, but he objected to being told that he was drunk?—That is so.

15,158. There is a familiar ring about this case. I should not have thought that it had anything to do with anything that had arisen since the passing of the Insurance Act. Is it not the same sort of difficulty that you have always had?—We have had these difficulties before, but I do not think that they were quite as accentuated. I think there is a little bit too much ease in giving certificates. I am afraid that the doctors are inclined to take a man's statement. I do not want to speak disrespectfully of them, because some of them are among my best friends.

15,159. Have you any other cases?—I think that it is against the rules to make out certificates in pencil and to sign in pencil. I have an average of 35 a week of these. There is the man who will for a trifle alter a pencil certificate. They could easily alter a date.

15,160. On the one hand, you think that the doctors are not quite strict enough in giving certificates?—I am sure that that is so, from the instances which have come under my notice.

15,161. And, on the other hand, that members are more ready to claim benefit than they were before. Yet the fact remains that, for some reason or other, you think that your claims are not more numerous than before the Act came into operation?—No, not after the first commencement of the Act.

15,162. (*Mr. Mosses.*) You say that you have 32,000 insured members?—Yes.

15,163. And 35,000 members connected with the voluntary side?—No, 3,000 connected with the voluntary side.

15,164-5. A total of 35,000?—A total of 35,000, that is right.

15,166. Is your State side altogether separate from the voluntary side?—Yes, as far as we possibly can. We have to keep the sick pay in one book and separate it afterwards.

15,167. Is it administered separately?—Yes.

15,168. I have just been calculating your sickness expenditure, and I make it 2½d. per week?—2½d. per week.

15,169. Does that include maternity benefit?—No, that is sick pay.

15,170. I suppose that you are slightly below the actuarial estimate of your sickness liabilities?—I hope so, and I think so.

15,171. So that really you have no occasion to say that you have any complaint to make of excessive sickness?—I do not say that I have. It is less, owing to our system of management.

15,172. Could you give us the denomination of these 32,000 approved members that you have? Could you tell us roughly what grades of service they are engaged in?—That is rather difficult. We have drivers, firemen, shunters, cleaners, and so on. The locomotive department embraces drivers, firemen, boiler-makers, shed sweepers, and so on. There would be 9,000 of them.

15,173. Have you any of the clerical staff approved members?—Yes, but not a great number.

15,174. Are we safe in assuming that your membership is drawn from almost every grade connected with the working of the Midland Railway Company, including, as you say, the office staff?—That is so.

15,175. Is there any special reason for so many of your voluntary members becoming approved members?—I think that I can explain that. On the balance-sheet of last year, excluding superannuated members, we had 34,400 men. They were all invited to be insured members through the society, and pay 3d. and no other contribution. Forms were sent out for them to sign, and also forms to members of the staff who were not members of the society at that time. The

result was that a great number of those 34,400 did not make ours their approved society, but made another, and some of the staff who were members of other societies made ours their approved society, and that accounts for the apparent anomaly.

15,176. Supposing that one of your approved members leaves the service of the company, what happens?—He should transfer within three months according to the present rule, but if he is an old member on the voluntary side, he retains his right to his share in the accumulated funds.

15,177. I am speaking of the State side?—If he goes out of the service of the company, he transfers out for State benefits within three months.

15,178. Has there been any pressure brought to bear upon the men in the employment of the Midland Railway Company to become members on the voluntary side?—Before this was inaugurated it was a matter of compulsion, not for all grades, but for the majority of the grades, to be members of that society; it was a condition of service.

15,179. Has there been any pressure put upon the same class of men to become members of the State section?—Absolutely none.

15,180. Is there any preference in the way of promotion or employment given to those who become members of the State section?—Absolutely none.

15,181. And no disability attaches to anyone who has become a member, say, of the Railway Workers' Union?—Absolutely none.

15,182. I notice that you have a very distinguished list of honorary members. I see on the first page of your rules that the patrons are the Chairman and Directors of the Midland Railway Company, your trustees are gentlemen well known in the railway world, and so is your treasurer?—Yes.

15,183. Then on the last page of your book of rules I see that you have got a special Act of Parliament—I am speaking, of course, of your voluntary side—which enables the company to contribute to the funds of the Midland Railway Friendly Society, and also to be their bankers?—Yes.

15,184. Do these gentlemen exercise any control over the voluntary side?—No; they do not exercise any control whatsoever, they simply act as gentlemen, and will do anything they possibly can for the members; they do not take any active part in it, if that is what you mean, and they do not use their position to influence the members in any way.

15,185. Do they exercise no supervision whatever with regard to the voluntary side?—No, not now; it is left entirely to the men.

15,186. And they act the part of bankers from a desire to further the interest of the fund?—That is so. I may say that so far as the voluntary side is concerned they hold a great portion of our funds on deposit to be drawn at sight, and they pay us 4 per cent., but of course the State side is a different thing altogether.

15,187. The Commissioners have your money?—Yes.

15,188. Your registered offices are at Derby?—Yes.

15,189-91. In the offices of the Midland Company, may I presume?—Yes, but they are going to turn me out, and I shall have to pay rent. Up to now we have paid nothing. They have found us light and heat and everything. The accommodation is not sufficient, and there is no further accommodation available. They are building us new premises.

15,192. How is your committee of management elected?—It is elected from the men by ballot. There are 16 members; five retire each of the first two years, and six retire the third year. There is an election pending now.

15,193. Do the directors appoint any of this management committee?—Yes, there are five nominees of the company; there used only to be three, but now they have a proportion in accordance with the Act.

15,194. From what grades are those five nominees of the directors selected?—There is one each from the accounts staff, the engineers, traffic department, and the locomotive department. They are very useful to us in putting down malingering, and anything of

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that sort. If they hear of anybody who is wrong, they will let me know. They are very useful also in the way of getting the work done cheaply. If I am hard up and pressed, I get the work done cheap, and it makes our administration very easy comparatively.

15,185. May I take it that these five nominees of the directorate belong to the staff?—They are on the clerical staff.

15,186. What of the remaining sixteen?—They are elected from the men.

15,187. Could you tell me from what grades they are selected?—You will find that in Rule 26 (1) of the rules of the society: "The managing committee shall consist of five officers of the company," &c., and then, "the sixteen members of the committee shall consist of nine traffic department members, six locomotive and carriage and waggon department members, and a way and works department member," and though eligible for re-election, they shall retire five in each of the first two years, and six in the third year.

15,188. They are elected every year?—It is a wheel, and they go round as explained in Rule 26.

15,189. Are they elected by ballot or in public meeting?—By ballot. A nomination paper is sent in. It has to be signed by ten members of the society in the district. Then I have to send out ballot papers to every member in the district who is interested, and they come back to me addressed to the scrutineer, and the scrutineer is appointed all in accordance with the rules.

15,200. How often does the committee meet?—Every month. That is fixed. Then there are special meetings.

15,201. Are the meetings well attended?—Oh, yes, nothing will keep them away, unless it is illness. The directors are very good. They arrange for their relief, and they also assist them very kindly in another way. They see that they do not lose their wages.

15,202. Are the books of your committee submitted to the directors or to their representatives?—Oh, no.

15,203. Except, of course, to the five members who are nominated by them?—Oh, no, the auditors are the only people.

15,204. You specify certain things which you call misconduct. Is there any other case of misconduct which is sufficient to penalise a man than those you refer to in your outline of evidence?—Misconduct, of course, is a very peculiar term. If a man was fighting, brawling, or was intoxicated he would be brought under it.

15,205. If two of your employees were having a friendly difference, and were having it out on the village green, and one of them was injured, he would not get his sickness benefit?—It would depend. We should inquire, and see who was the aggressor.

15,206. Would you deprive a man of his benefit if he was injured, say, when playing football?—I should not call that misconduct, if the man was injured in a friendly game. I do not think that there is anything in the rules, which debar that. If he was on the fund and then played football, of course it would be different.

15,207. I am speaking of a man who is incapacitated by taking part in any sport?—Supposing a man who was riding down the street on his bicycle skidded and fell down and was hurt, I presume that we should pay him sick pay.

15,208. There is a very great difference between a man who has skidded upon a bicycle, which is almost a necessity nowadays, and a man who goes and plays football and gets injured?—Supposing a man was riding for pleasure and came into collision with anything, there was no necessity for him to have ridden; he could have walked.

15,209. You would pay him?—Yes. He was riding a bicycle, and met with an accident. I should feel justified in doing so, but of course it would rest with my committee.

15,210. I take it that you would pay a man who was injured when taking part in any legitimate and cleanly sport?—Yes.

15,211. Do you debar a man from receiving State sickness benefit because he is incapable of following his usual occupation or of following any occupation?—Supposing the man was incapacitated from following his usual employment, we should pay him sick benefit.

15,212. Take a locomotive driver. A man, who could not drive a locomotive, might very well be able to keep the locomotive shed clean?—Yes, but they would not allow that. He would have to go on the sick list. Looking at it from the company's point of view, they would not, I think, put a man on a lighter job simply because he was ill.

15,213. You were referring to workmen becoming drunk. I really thought that the men of the railway service were picked men?—They are.

15,214. They have to have certificates of character, and they have to be able to read and write, and altogether they are rather an exceptional class of the community; you have not very many cases of men who get drunk?—Oh, no.

15,215. One of the ways you have to stop this sort of thing is to pillory a man by exhibiting in a public place the cause of his incapacity for work; is that so?—No.

15,216. I thought that you said that you had a book which was open to public inspection?—That is at the office. We do not pillory them in that way. I must take exception to that. I do not think that you should apply that term.

15,217. Are you not pillorying a man if you put this book in a public place where anybody can see it, and see the nature of the man's illness?—No one has the right to go into that office, but the men who go to report the time. It is not a public place.

15,218. But you rely very much upon the exhibition of this book to stop trivial cases of illness or malingering?—The book is there for the inspection of the sick visitor, and not for everybody. It is there for the sick visitor to take the names from. It is in the charge of the timekeeper, but of course it gets out that somebody's name is in the book. The workmen, however, cannot get at that book. It is only for the sick visitor.

15,219. As a matter of fact, a man could not very often get drunk with impunity. He would be discharged?—If a man becomes addicted to drink, he is taken away. It would not do for men addicted to drink to be in places of responsibility.

15,220. (Mr. Warren.) I presume that your society is exceptionally well placed from the fact that all the employees of the company had previously passed a medical examination?—Yes.

15,221. Do you think that there is a general misconception as to the real meaning of National Insurance?—Yes, I think there is. I should say, roughly speaking, that 75 per cent. of the ordinary workmen do not understand it. Our inspectors and others report to me what they have heard from time to time, and they all seem to say that the men think that the benefits are guaranteed by the State, and that they have to be told about the levy and so forth.

15,222. And that being so, they have no scruples in endeavouring to obtain them?—Not in some cases when they have the opportunity.

15,223. Do you think that it would be well if steps were taken to make it more widely known that the benefits are not State assured?—I am certain that it would be a very good thing if the Commissioners would do something of that kind. It would clear the air a good deal, and help the societies.

15,224. And that insured persons should learn that they are materially affected by the prosperity of their own approved society?—That is right.

15,225. Have you had much experience in the matter of over-insurance? You say in your outline of evidence that where a man is in two or three societies, his sick pay approaches the amount of his earnings and his recovery is usually slow?—Of course in our club, as previously stated, their benefits are the same as before, but where a man is in two or three clubs we have found that trouble over and over again. When his sick pay approaches anything like his earnings, he does not get better very quickly. It comes

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out more particularly in the Compensation Act cases, and especially since the passing of the second Act, which has warped men's character considerably. It has in some cases spoilt honest men.

15,226. Would quite a number of the members of your approved society also be members of other friendly societies?—Oh, yes; some members are members of the Manchester Unity, and so on.

15,227. So that in quite a number of cases the amount that they are entitled to receive when on sick pay approximates very closely to their ordinary wages?—Yes.

15,228. And that in your experience offers a very considerable temptation, taking human nature as you find it?—It does.

15,229. Your experience has also led you to the conclusion that the doctors are readily granting certificates?—From our experience at the beginning, and also from these cases which I have brought up, they do not seem to be quite as strict as they might be.

15,230. Acting not so much upon their own diagnosis as upon the statements of the insured persons?—Yes, I have been told of cases where they have put down what the man has said.

15,231. Have you come across many cases of certificates being post-dated or ante-dated?—I have had some ante-dated. I have had some where the doctor has put them back a day or something of that sort. Their excuse is that when the man comes, they know from his symptoms that he has been very ill. There are a number of men who will not go on the club, and when they go to the doctor, they say that they were bad all the previous day.

15,232. Do you think that in many cases doctors are granting certificates upon the statement of the insured person, because they themselves have not the time to make a careful examination owing to the largeness of their lists?—That is my personal impression.

15,233. Do you find an unwillingness on the part of the members of your society to return to work?—Yes, in some cases. We have had to hasten a few up occasionally. I have one case in my mind now. He is one of those morbid kind of men who are often depressed, fancying there is something going to happen to them that has never happened to anyone else before. He wants pushing to work. He is not bad. He has got into a low state. We have that class of individual.

15,234. I take it that you regard your sickness visitation as being efficient?—Yes, it could be improved upon, no doubt, but as far as our experience goes it is acting very well, and I think that it is fairly efficient. We want to be efficient, and we try to be.

15,235. Of course you are placed in the particularly advantageous position to carry out that, which you mentioned to the Committee a little while back. You can take a patient from London to Derby or from Manchester to Liverpool to be examined by a perfectly independent doctor?—Yes.

15,236. You will readily understand that those conditions do not apply to the majority of approved societies?—Obviously. I wish to say that the directors are willing to assist us to stop malingering as much as possible, and they have given me a pass for a man to be examined.

15,237. You passed up a book in which are recorded cases of persons who are in receipt of benefit, giving their name and address and the nature of their illness?—That is taken from the certificate as it comes in.

15,238. Mr. Mosses was particularly anxious to ascertain whether it was with the intention of pillorying. How would you state in this book the case of the man who was suffering from too much gin and water?—They would have to put what the doctor put. The doctor would probably say "Catarrh of the stomach," or something of that sort.

15,239. Therefore it would be left to the general knowledge of the man who had access to this book as to what construction to place upon the complaint?—They would know the man.

15,240. (Mr. Davies.) With regard to compensation claims, do you find any difficulty in getting the men to set out that it is an accident rather than sickness?—

No, I cannot call to mind any case of any difficulty of that sort.

15,241. I suppose that it would not operate so very much in your society because it would happen in the works, and they would know?—I have access to all this information. If the point at the back of your mind is this, that if a man meets with an accident, and it is a question whether we pay him sick pay from the compensation side, I may say that I get to know from the company at once whether they are going to admit liability for compensation. I am in a position to get that information without any fuss. If a man meets with an accident, and he reports it to me I take it to the proper quarter, and, if it is right, he is put on compensation at once.

15,242. If you thought that it was a question of compensation as against sickness benefit, you would not hesitate to make application to the company because it happened to be the company?—Oh, no, I should go straight to the company.

15,243. In the figures you have given it would be fair to assume that there are no compensation claims that have crept in, and that ought to have been paid from the other side?—Oh, no.

15,244. Rule 26, clause 9, gives you power to remove committeemen. What power is that?—We have never had a case of that nature, but there might be cases at times, and I think that that is what it is provided for, when it might have to be exercised. If a man was to commit a dishonest act, or act in a dishonest way, we should have this power to remove him. It does not specify exactly, but I suppose that is what it would be. Supposing a man often came to the committee in a state in which he should not come, or used his influence with a member to defraud the society, we should use that rule.

15,245. Supposing the men knew that one of your committeemen was particularly favourable to them as against some stand which the committee were anxious to make, and he made himself obnoxious by fighting for the men as keenly as he could, would you have power under this resolution to get rid of that man? It reads, "The committee may, if they think fit, at any time by resolution discharge any elected member of the committee"?—I do not for a moment think that in a society like ours, and a committee which is thoroughly democratic to the bottom, because a man fought up for his constituents, he would be otherwise than admired. We often have it. A man has to stick up for his own end frequently, but if a man fights straight he is always respected. I do not think that that applies.

15,246. I take it, then, that the rule was put in for a legitimate purpose. Besides what I have read, there is another part of the rule which sets out some other particulars which tone down perhaps what at first blush would appear to be something very extraordinary. We may take it that it would not be put into operation unless there was some real cause?—Oh, no.

15,247. Do I gather that, compared with the conditions previous to the Act coming into operation, no man is getting less by reason of the Act having come into operation than he got previously?—Yes.

15,248. You give them an extra benefit of 2s.?—Yes.

15,249. I think that there were two grades of payment previously? 12s. per week for so long, and 6s. per week for another period?—Yes.

15,250. If a man were sick for those periods would he, by reason of the Act, receive less now than he would have done previously?—No. When the period for sick pay of 12s.—that is the State 10s. and the 2s.—is exceeded, he goes on to half-pay and has 6s. per week, because the disablement benefit does not come into operation until July next year. When that comes into operation, they will draw 1s. from the society and 5s. from the State.

15,251. So that you have set up a system to give a man exactly the same benefits he would have had if the Act had not come into operation?—Yes.

15,252. (Dr. Fulton.) You have always had a very strict rule as to the visitation of your members?—Yes.

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15,253. And you have never allowed them to engage in any work whilst on the funds?—No.

15,254. They have always been liable to be examined by an independent doctor?—At the option of the committee by the rule.

15,255. How did you appoint your medical men under the old *régime*?—The committee appointed them. When we had a vacancy we used to get our men in the district to say what doctor they would like. We approached the doctors, or the members did, and we ascertained whether the doctors were agreeable, and then we made a choice. It frequently happened in those days that we had no need to do that, because we had two, three, four, five, and even six applications for the jobs.

15,256. You paid more when it was a distance from the medical man's residence?—Yes.

15,257. You had fairly complete control over your medical man?—Yes, but it was a friendly control.

15,258. They were practically responsible to you for the work, and although you had a large army of sick visitors, and a very strong rule as to what they should do and should not do, did you find it necessary a few years ago to appoint an inspector in addition?—We had those inspectors a few years ago.

15,259. About four or five years ago?—We had one and we appointed another one.

15,260. You have found that they have paid their way?—Yes, they have paid us very well.

15,261. Under the old condition of things, when the doctor was directly responsible to yourself, you found it necessary to have this strict supervision?—Yes, but it was not so strict as we have got it now. We had it as strict as we could, but the doctors could not be troubled to give the names at surgery times, and when we did get them, it was probably too late to catch the individual malingerer, whereas now the sick visitor has the names of sick members the day they declare on the funds.

15,262. It would not always be possible to sift out who were your men and who were not?—No.

15,263. In days gone by, you had trouble with malingerers?—There always has been, and always will be.

15,264. Under your old system, and I dare say under your present system, your stationmasters helped you to keep an eye on suspected persons?—Yes, if they suspected any man, they would drop me a line.

15,265. They would also see the doctor in a friendly way?—And I would go myself personally.

15,266. Did the members largely employ their own doctors?—Yes, a great number.

15,267. In a small station where you had only one doctor, do those men still largely go to that doctor on the panel?—Oh, yes, the majority.

15,268. That brings us to one of the cases you mentioned where the doctor said that he had forgotten to see the member afterwards?—He was one of our doctors, and an old friend of mine.

15,269. In all probability he would know this man perfectly well, and would know his ailments?—Yes, he said that he did.

15,270. You do not suggest for a moment that the doctor wished to aid a fraud on your society?—I do not think that he did. I think that the man is a fraud, and that the doctor was busy.

15,271. (Chairman.) With regard to the voluntary side, I think that we have got it rather mixed up. Before the Insurance Act was passed there was a Friendly Society to which everybody on the Midland staff had to belong?—Not everybody, certain grades.

15,272. And for them it was compulsory?—Quite.

15,273. That society was in difficulties?—It had a deficiency.

15,274. A large deficiency?—I will say a deficiency, not as large as some.

15,275. That society to all intents and purposes has now ceased to exist, has it not?—Yes, as a society.

15,276. It does not collect any more contributions?—That is so.

15,277. All the money left to it has been put into a fund?—Yes, and is being distributed in the shape of benefits.

15,278. To the people who before the passing of the Act were members?—Yes.

15,279. And that is the only sense in which there is a voluntary side at all, is it not?—Yes.

15,280. The directors, as a matter of fact, supplemented the moneys that came out of that fund because, when they saw the deficiency, they realised what hard luck it would be on the old men if they did not?—From time to time as we had a deficiency, they increased their capitation grant. I will put it that way.

15,281. That is in the past, but so far as the present is concerned, all that has been saved has, as it were, been put into a box, and is being paid out to the people who have an interest in it?—Yes.

15,282. And that is the only sense in which there is a voluntary side?—That is so. It is fizzling out.

15,283. Membership of this existing society is not compulsory?—Not on account of the company, but it is compulsion on the part of the State.

15,284. They have to belong to some society, but not necessarily to this society?—That is so.

15,285. You are the secretary?—Yes.

15,286. Are you the servant of the company?—No, of the committee.

15,287. Are you paid by the company?—No, the committee.

15,288. Do you take orders from the company?—No.

15,289. In rule 18 (15) it says, "A member shall not be entitled to any sickness or disablement benefit in respect of any sickness or accident occasioned by fighting (except in self-defence), intoxication, debauchery, or intemperance of any kind?"—It is as you have read it, I believe.

15,290-2. Football is not intoxication, nor debauchery, nor ordinarily intemperance?—No.

15,293. I do not know how they play football in the north of England nowadays, but is it fighting?—It is, if you play on Shrove Tuesday at Ashbourne. I have had some.

15,294. Look at rule 26 (9) of the rules of your society. That says: "The managing committee may, if they think fit, at any time by resolution discharge any elected member of the committee from his office, if he shall be guilty of any offence in respect of which a fine or penalty may be imposed by these rules, or if, in the opinion of the managing committee, he has been guilty of misconduct as an officer of the society, or grossly neglected his duties as such, or has become incapacitated by ill-health or otherwise from attending from such duties." You are not a lawyer, are you?—No, sir.

15,295. Do you not think that before you turned anybody off your committee, you would have to make a definite allegation of misconduct, and that unless you could prove it was misconduct by an officer of the society, you would be impotent to turn the man off?—I should think so.

15,296. You have not got it in your power to turn a man off the committee simply because you dislike him?—I do not think that we have.

15,297. Have you power to turn him off for anything he does otherwise than as an officer of the society?—I am not quite sure about this. I know that it would never be exercised if we had the power.

15,298. (Mr. Davies.) Not even if he troubled the company in a strike?—Oh, no, it is not a question of the company; it is managed by the men.

15,299. (Chairman.) You told us that you had a Nottingham man, who had been certified by the doctor without the doctor seeing him. I do not think that you subsequently produced that case to us. I should be very glad to hear something more about it, if you have got it there. Tell us the circumstances and what you have done?—We had a complaint, anonymously really, that this man was doing lace work, assisting his wife. I sent over, and this is what our inspector reported: "— I saw the above-named man to-day, and he agreed to sign off, and resume duty to-morrow. He looked well, and there appeared to be nothing the matter with him. Although he had been on the fund since November 24th, he had never

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"been visited or seen by the doctor. He sent his wife to Dr. —'s surgery declaring on, and for continuing-on certificates. As the surgery is only three minutes' walk from —'s house, the only conclusion I can draw is that — was not ill, or he would have visited the doctor with a view of obtaining proper treatment. I am of opinion that no sick pay should be paid to any member unless seen by a medical man." That is from one of my inspectors.

15,300-1. What have you done on that?—I have written to the doctor and have got his reply. "Dear Sir,—I have your letter about —. This man suffers greatly from rheumatism. You may remember that he was off work for seven months in the early part of last year. He was then three weeks at Buxton, and has never been very well since. He has been, I think, several times on his club since then with a return of his complaint. On November 24th his wife came to me and said that her husband had come home from work, and had to go to bed with his old complaint. I prescribed for him, and gave her a declaring-on certificate, and intended to call and see him the next day, but I find I must have omitted to enter his name on my visiting list, and so forgot all about him. He returned to work on the 3rd inst. before I think he was fit to do so. To-day he has had to go to bed again, and I visited him and have given him a declaring-on certificate. I think he would do better if he had a day job"—this man has always wanted a day job—"night work is against him, but he is afraid if he gives off night work, he might have to accept a lower wage, and as he has five young children he cannot afford to run this risk. If he could have day work without reduction of wage it would be advisable to do this, and he would be grateful. I will see that in future certificates for your society are signed in ink. Apologising for troubling you so much. I am, Faithfully yours, —. P.S.—I find — has seven children all under the age of 10, and he has no other club so that he is not likely to malingere."

15,302. What did you do on that?—I have not done anything further. I complained to the doctor that he had given certificates without seeing the man, and had also written them out in pencil. He says that he will not write them out in pencil again, and I have not taken any further action. I cannot take action until I see my committee.

15,303-4. You are complaining of two things; first, because he filled in this certificate in pencil, and,

secondly, that the whole thing was a lie. He said "This day I have examined" somebody. You say that he had not?—I do not think that the doctors look upon this sort of thing the same as I do. They think the man is ill of an old complaint, and that they are safe in giving him a certificate. I do not think that the doctor gave the certificate. I think that it was his assistant.

15,305. Whose name was on the certificate?—The doctor's.

15,306. Is it not very serious?—I think that it is a very serious thing for a doctor to give these sort of certificates, but we have known it to be done. They will stamp a number of certificates ready for use.

15,307. You are a business man, and have been in and about an office all your life, and have been accustomed to act upon written documents which purport to have signatures at the bottom of them?—Yes.

15,308. Do you take a light view of the action of somebody certifying that which is not a fact?—I take a great stand against it, and I have written to this man, and have reported one doctor in Birmingham.

15,309. To my mind these things are little short of fraud?—You suggest that action should be taken against this individual.

15,310. I do not see how the Commission is going to help you to protect your funds unless you protect your funds yourself? What this thing comes to is this: There is a certain sum of money in your control to be paid to a man who, before getting it, has to satisfy you that he is sick?—Yes.

15,311. We know that that man has a great many temptations to cause him to try and get that money although not sick?—Yes.

15,312. And we know that the only efficient way in which he can be prevented, if he is rather a slippery kind of fellow, is by the doctor looking after him?—Yes.

15,313. Here we have two doctors who, it is admitted, have put it in the power of members to make claims, without either of those doctors having seen the men at all?—Yes.

15,314. Perhaps you can protect your funds in other ways, but do you not think that it is almost impossible for other societies, who have not the same intimate relations, and do not know so much about their members, to protect their funds in these circumstances?—I should say that they are not in as good a position as myself to know, and that they must have similar cases.

The witness withdrew.



NATIONAL INSURANCE ACTS, 1911-13—*contd.*

HEALTH INSURANCE—*contd.*

RETURN AS TO THE ADMINISTRATION OF SANATORIUM BENEFIT from July 15th, 1912, to January 11th, 1914.

[Cd. 7386] of Session 1914. Price 1*d.*, post free 1½*d.*

LIST OF SOCIETIES APPROVED up to 31st December, 1913, by the National Health Joint Committee and by the National Health Insurance Commissioners for England, Scotland, Ireland, and Wales. List 14*a.* (1914.) Price 9*d.*, post free 1*s.*

MEMORANDUM ON THE ARREARS OF CONTRIBUTIONS OF EMPLOYED CONTRIBUTORS. Explains the Scheme embodied in the Draft Regulations, dated 8th May, 1914, for the Reduction, Postponement, or Suspension of Benefits of Employed Contributors who are in arrear with their Contributions; with an Actuarial Memorandum on the Financial Basis of the Scheme outlined above.

[Cd. 7431] of Session 1914. Price 1*d.*, post free 1½*d.*

MEMORANDA OF DECISIONS under Sec. 66 of the National Insurance Act, 1911, and Sec. 27 (2) of the National Insurance Act, 1913. With Index. Memo. 151. Second Edition. (1914.) Price 6*d.*, post free 8*d.*

RECEIPTS:—Return for the year from 13th January, 1913, to 11th January, 1914, and also for the period from 16th December, 1911, to 12th January, 1913, showing (i) the Receipts from Stamps sold; (ii) the Aggregate Expenses paid; and (iii) the Sums voted by Parliament in respect of the Benefits given under Part I. of the National Insurance Act, 1911, and the National Insurance Act, 1913.

H.C. 364 of Session 1914. Price ½*d.*, post free 1*d.*

BENEFITS:—Return showing, approximately, the number of Insured Persons who received each week (i) Medical Benefit, (ii) Sickness Benefit, (iii) Maternity Benefit, and (iv) Sanatorium Benefit; the Average Weekly Cost of such Benefit; the Aggregate Cost of each Benefit for the period ending 11th January, 1914; and the Number of Insured Persons who have received one or more of these Benefits in the period ending the 11th January, 1914.

H.C. 365 of Session 1914. Price ½*d.*, post free 1*d.*

NATIONAL HEALTH INSURANCE COMMISSION (ENGLAND).

STATEMENT of the Numbers of Insured Persons, the Membership of Approved Societies, and the Number of Deposit Contributors in Counties and in County Boroughs in England.

[Cd. 6831] of Session 1913. Price 2*s.* 2*d.*, post free 2*s.* 6*d.*

NATIONAL INSURANCE ACT, 1911.

PART II. UNEMPLOYMENT INSURANCE.

PARTS II. AND III. OF THE ACT, with Schedules, Explanatory Memorandum, and Statutory Regulations, Rules, and Orders in connection with Unemployment Insurance. March 1913. Price 3*d.*, post free 4½*d.*

FIRST REPORT on the Proceedings of the Board of Trade under the above Act. With Appendices.

[Cd. 6965] of Session 1913. Price 9*d.*, post free 11½*d.*

REGULATIONS made by the Board of Trade under the above Act.

H.C. 121 of Session 1912-13. Price 3½*d.*, post free 4½*d.*

SUPPLEMENTARY REGULATIONS, dated 8th January, 1913.

H.C. 418 of Session 1912-13. Price ½*d.*, post free 1*d.*

UMPIRE REGULATIONS, dated 26th March, 1912, under Section 91 of the Act.

H.C. 78 of Session 1912-13. Price 1*d.*, post free 1½*d.*

DECISIONS GIVEN BY THE UMPIRE RESPECTING DEMARCATION OF TRADES, up to and including those published in the "Board of Trade Journal" for February 12, 1914. With Index. Price 1*s.*, post free 1*s.* 3*d.*

DECISIONS GIVEN BY THE UMPIRE RESPECTING CLAIMS TO BENEFIT. Vol. I. Nos. 1-500. Given up to March 19, 1914. With Prefatory Note, the relevant portions of the Act and Regulations, and Index. (1914.) Price 1*s.* 3*d.*, post free 1*s.* 7*d.*

ACCOUNT showing Nature and Amount of Securities held as investments for moneys forming part of the Unemployment Fund.

H.C. 291 of Session 1913. Price ½*d.*, post free 1*d.*

INQUIRIES WITH REGARD TO DRAFT SPECIAL EXTENSION ORDERS:—

REPAIRING WORKS OF CONSTRUCTION. The Inquiry commenced June 15th, 1914, and was adjourned *sine die* June 26th, 1914, having sat for eight days. Each day's Evidence published separately, price 1*s.*, post free 1*s.* 1*d.*

SAW-MILLING, INCLUDING MACHINE WOODWORK. The Inquiry was held on 2nd and 3rd July, 1914. Each day's Evidence published separately. Price 1*s.*, post free 1*s.* 1*d.*

NATIONAL HEALTH INSURANCE.

APPENDIX
TO THE
REPORT
OF THE
DEPARTMENTAL COMMITTEE
ON
SICKNESS BENEFIT CLAIMS UNDER THE
NATIONAL INSURANCE ACT.

VOLUME I.

MINUTES OF EVIDENCE,
15th OCTOBER, 1913—18th DECEMBER, 1913.
Q. 1—Q. 15,314.

The Report of the Committee is printed separately as [Cd. 7687]. The remainder of the Minutes of Evidence is printed as follows:—Vol. II., Minutes from 31st December, 1913, to 5th March, 1914, as [Cd. 7689]; Vol. III., Minutes from 11th March, 1914, to 22nd May, 1914, as [Cd. 7690]. The Index to the Minutes of Evidence is printed separately as [Cd. 7691].

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